

INSTRUCTIONS FOR THE CSD SERVICE

17 JULY 2023

The Italian text shall prevail over the English version



MONTETITOLI

A EURONEXT COMPANY

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A. GENERAL PROVISIONS

A.1 Definitions

The definitions given in the Service Rules are fully adopted in these Instructions with the same meaning.

For the purposes of the present document, the definitions set out below shall have the following meaning:

- Correspondent Bank: with reference to dividend payments, proceeds and redemptions of closed-end funds, interest payments and capital redemptions of bonds, this is the entity engaged by the Intermediary to perform, on the latter's behalf, the accounting of funds between the Issuer's Paying Bank and the Intermediary itself. In relation to capital payment transactions it is the entity appointed by the underwriting Intermediary to make payments to the Collecting Bank of the Issuer.
- CLIMP: web-based application developed for communication and management of data and configuration information necessary for participation in the Monte Titoli Services. The data entered by users are accessible at any time and can be modified and/or updated in the manner described in these Instructions.
- Evidence Ending Date: the settlement date of expiry, i.e. the ninth business day following the original payment date;
- Settlement Ending Date: the second business day following the original payment date;
- Accounting day: an operating day according to the TARGET calendar;
- Modified Following Business Day convention: when referring exclusively to dates of payment of capital or interest it means that, for the purposes of payment of the coupon, in the event that a maturity falls on a holiday, the payment will be due on the immediately following day, or if that day falls in the following month, on the day immediately preceding the original maturity;
- MT-X: the web-based communication platform managed by Monte Titoli for sending or receiving instructions and document flows between Monte Titoli itself and the Issuers and Intermediaries; Information Period: time window provided for by settlement within which it is possible to revoke one or more settlements instructions within the TARGET2 System;
- Interim security: short term transferable operational instrument, issued for corporate action processing purposes only, which is not representative of the Issuer's capital;
- Internal Code: special recording code assigned by Monte Titoli in order to enable the identification of financial instruments with particular characteristics (e.g. shares for which the exercise of the right to the dividend payment has not yet been exercised or those entitled to increased voting rights);
- Fiscal Platform: the proprietary system through which Monte Titoli: (i) acquires and records the information of those participating in the Fiscal Representation Services and their customers; (ii) maintains the accounting evidence relating to the payment of taxes, tax credits accrued and amounts received from the exempt subjects; (iii) runs the checks for the correct management of the fiscal requirements; (iv) calculates the tax pursuant to the applicable legislation;

- Pool Factor: for Asset-backed Securities, the value expressed in decimal form, of the unredeemed share of the nominal value of the initial issue;
- RNI: Rete Nazionale Interbancaria (*the Italian Interbank Network*);
- Restrictions: technical function of blocking or reserving, even partial, of the securities position on a specific ISIN recorded in the securities account of the Intermediaries.
- SWIFT: Society for Worldwide Interbank Financial Telecommunication.

A.2 Operating Documents

The provisions included in these Instructions are supplemented by technical information provided by the Operating Documents prepared by Monte Titoli (e.g. Standards for Users describing technically flows and messages provided for the operation of the services).

A.3 Communications sent to Monte Titoli

Issuers and intermediaries may use electronic messages only to send communications to Monte Titoli concerning operations with centralised financial instruments.

Specific methods have been established for sending such messages based on the technological platform used by the Participant, as referred to in the related Operating Document.

Communications should be sent within the times and conditions indicated in these instructions. In case of non-submission or late submission of the necessary communications, at the request of the participating issuers and intermediaries, Monte Titoli can initiate extraordinary administrative procedures, if any, for which the fees are indicated in the Pricelist. These fees will be notified to the requesting Participant for approval.

A.4 Operational communications in the event of a contingency

In cases of necessity, issuers and intermediaries may send operational communications to Monte Titoli by e-mail (PDF format). This facility is available only as an alternative contingency method to the electronic networks.

The use of this operating method must be agreed in advance with Monte Titoli.

Paper instructions must be duly signed by authorised persons.

Monte Titoli carries out the instructions sent through contingency means:

- within the Accounting Day, when they are received by 15.00 CET except for any operational needs of Monte Titoli;
- the following Accounting Day, when they are received beyond 15.00 CET.

A.5 Communication of operating conditions

The participating issuers and intermediaries shall ensure the timely updating and configuration of the operating conditions via CLIMP. In particular, they shall make sure that each securities account is associated with an RTGS or a DCA account for the proper management of corporate operations. In case of failure or delay in updating the operating conditions Monte Titoli does not ensure the process of service operations for which such information is necessary.

Pursuant the Service Regulations, the participating issuers and intermediaries communicate and ask Monte Titoli to change the operating conditions specified at

the time of admission to the Central Security Depository Service via web application (CLIMP). In case of temporary unavailability of the web application, the participating issuers and intermediaries may send notices or requests for update via e-mail to mdm@lseg.com.

Monte Titoli will update the operating conditions normally within 5 days from the moment the request has been produced complete of all the information needed to handle the request, which shall be entered through CLIMP platform. Monte Titoli confirms the completeness of the documentation by sending back an e-mail.

Where the update requires particularly complex operational interventions (for example, in cases where the update requires the prior acceptance of or interaction with a third party) or in cases of requests for massive update, Monte Titoli reserves the right to apply a longer term, upon notice to the Participant.

Issuers and intermediaries may also ask Monte Titoli to modify their operating conditions with a reduced timing in respect of the one referred to in the preceding paragraph (so-called "urgent request").

In such case, Monte Titoli confirms to the Participant the operational timing and communicates the modalities and the fees for the management of the operation. Monte Titoli shall reserve itself the right not to proceed with the request with a reduced timing for justified operational reasons.

In order to facilitate the management of the urgent requests, Monte Titoli may establish specific procedures described in the Operating Documents that the participating issuers and intermediaries shall accomplish.

Urgent requests must be received by Monte Titoli by e-mail at mdm@lseg.com by 4 p.m. Applications received after this deadline shall be deemed received the following day.

Fees for the management of urgent requests are indicated in the *Pricelist*.

A.6 General Mandates and General Instructions

Issuers and intermediaries are required to send Monte Titoli the operating instructions for which there is no specific electronic message, through the following messages facility:

- "General Mandates", for those who participate as Issuer;
- "General Instructions", for those who participate as Intermediary.

Both are available on the MT-X platform.

These messages should be used wherever provided under these Instructions or in the Service Notices issued by Monte Titoli and whenever this is necessary for specific operational needs.

These messages allow to send a free-form text and attach documents in PDF format.

The mandate or operating instructions sent to Monte Titoli by means of these messages will be executed on the specified date.

If the mandate or the instruction provide for "on sight" execution date, Monte Titoli will perform it as follows:

- on the same Accounting day, if received by Monte Titoli by 16:00 CET, except in case of Monte Titoli operational requirements;
- on the next Accounting Day, when received by Monte Titoli after 16:00 CET.

A.7 Exercising the right to retention

Monte Titoli may exercise a right of retention on securities owned by intermediaries in accounts held in Monte Titoli as follows.

In case of non-payment of fees for the provision of Central Security Depository Service and related and instrumental activities laid down in the Price List, as last remedy to obtain the payment of such fees, Monte Titoli will notify the Participant putting him in default by asking for the payment of all sums due in respect of fees as well as the interest accrued from the due date of payment until the actual settlement, within 30 working days from the receipt of the notice, with the warning that in case of failure by the Participant, Monte Titoli will proceed to exercise the right of retention according to the Service Rules, placing an accounting block on financial instruments recorded in the securities account of the Participant for a value corresponding to the amount of due payments, including interest from the due date of payment until the actual settlement.

If the participant has not paid the amount due within 30 days, Monte Titoli will initiate the procedure of blocking of the securities registered in the account owned by the Participant, according to the above, communicating the date by which the block will be activated and indicating the ISIN locked.

To exercise the right of retention securities will be assessed:

- for instruments traded on regulated markets, on the basis of the reference prices of the market the day before the block;
- in the case of financial instruments not traded on regulated markets (or in the absence of price) at the nominal value.

The participant also authorises Monte Titoli to retain any income arising from financial instruments subject to the retention right to the extent of amounts due plus any interest from the due payment.

Monte Titoli will notify the Participant in writing of the amounts so collected and will credit any amount in excess of the amount of credits accrued from the Participant in accordance with the usual procedures for managing corporate actions.

If the Participant pays the amount due after the execution of the block or in cases where the monetary proceeds received by Monte Titoli contribute to the fulfilment of the credits earned, Monte Titoli shall remove the block on securities owned by the Participant that will be immediately available and will communicate the release to the Participant.

1. NOTARY SERVICE INSTRUCTIONS

1.1 Availability of the Service

Service availability follows the TARGET calendar.

The Service is active between the following hours:

- opening at 06:45 hours
- closure at 18:00 hours

1.2 Admission of Issuers and financial instruments

For the purpose of financial instruments admission in book-entry form, Monte Titoli uses the ISIN codes assigned by the Bank of Italy.

For operational reasons related to the efficient performance of all corporate operations or for the management of financial instruments with particular characteristics, Monte Titoli uses specific codes (e.g. Internal code) in addition to the ISIN code. The ISIN code and other specific codes (e.g. Internal code) are used in communications between Monte Titoli and the issuers and intermediaries and constitute an essential reference in all communications with Monte Titoli.

1.3 Application for admission of the Issuer

In the case of first admission to the Service, the application for the admission of the Issuer must be submitted at least 15 working days before the validity date of the security (closing date/possession/commencement of dealing/placement).

The application for admission of the Issuer should specify:

- the LEI code;
- the BIC code, essential for the opening of the account.

At the end of the issuer's account opening process and of the entering of the operating configurations, the Issuer must submit the application for admission of the financial instruments.

In exceptional cases, the sending of the request for admission by the Issuer over the deadline indicated must be agreed in advance with Monte Titoli. In this case, the provisions on handling of urgent requests shall apply. Urgent requests should be sent to mdm@lseg.com by 4 p.m. Applications received after this deadline shall be deemed received the following day.

1.4 Application for admission of financial instruments

For financial instruments centralised directly with Monte Titoli (as Issuer CSD), an application for admission must be sent by the Issuer of the financial instrument.

The Issuer applies for the financial instruments admission to the System by the message "Admission of Financial Instruments to Monte Titoli" and annexing the required documentation.

The Issuer is required to specify in the application for admission, among others:

- whether the financial instrument is subject to transfer restrictions; the law applicable to the financial instrument and to the Issuer;
- the relevant tax law applicable to the financial instrument and to the Issuer. In particular the Issuers of financial instruments referred to in Article 1, paragraph 1-bis, lett. b) and c), of the Consolidated Law on Finance (*e.g. warrants, covered warrants, certificates, structured bonds, ETN*), must declare whether the financial instruments and related payments are subject to the application of the US tax regime referred to in *Section 871 (m) of the Internal Revenue Code ("IRC")*.

Monte Titoli does not guarantee the admission of financial instruments regulated by a foreign tax regime if the latter is incompatible with the procedures in use for payments or if the admission of the instrument entails the undertaking of obligations and / or liabilities by Monte Titoli towards a foreign tax administration. The Issuers must immediately notify any change in the applicable tax regime other than the Italian one in order to allow Monte Titoli to adopt the measures necessary.

The application for admission must be normally submitted two working days before the validity date of the security (closing date/possession/commencement of dealing/placement).

Monte Titoli does not guarantee the admission of financial instruments within the time limits set out above for incomplete or incorrect.

Following the admission the Issuers is required to notify detailed data of the financial instrument. The communication is normally done through the MT-X platform, with the MT 265 bis message.

Issuers of bonds shall:

- a) communicate whether the terms and conditions of the bond include clauses that allow for a postponement of the payment of one or more coupons at the time of the capital redemption (so called "PIK" payment clauses);
- b) where the bonds are issued by Italian or foreign companies or entities subject to a law different from the law applicable to the Issuer and/or are placed in two or more countries, attach to the application for admission a proper statement attesting that there are no impediments of any kind to application of the provisions on central securities depository of the Consolidated Law on Finance and the related implementing regulations.

The application for admission of bonds for which a payment date is close to the admission shall be received by Monte Titoli no later than the third business day preceding the payment day. Requests received after this time will be rejected and shall be proposed again after the scheduled payment date.

The issuer of promissory notes referred to in Article 32 of Law no. 134 of 7 August 2012, is required to specify in the application for admission:

- the unconditional promise to pay at maturity the amounts due to the holders of promissory notes reported in the accounting records of depositary intermediaries;
- total amount of the issue;
- amount of each promissory note;
- the number of promissory notes;
- amount of income, total and per single promissory note;
- indication of maturity;
- an indication of the place of payment;
- the name of the person who shall receive the payment or the name of person who gives the order to pay;
- the date and place of issue;
- the name of the issuer;
- any guarantees relating to the issue, stating the identity of the guarantor and the amount of the guarantee;
- amount of the paid up and existing share capital on the date of issue;
- the name, the object and the legal address of the issuer;
- the competent office of the register of enterprises where the issuer has been registered.

If the issuer of promissory notes is an entity that does not have other securities admitted on a regulated/non-regulated trading venue, it shall also specify in the application for admission:

- the name of the sponsor in charge, except where the issuer has declined to appoint one, in cases where this is permitted;
- a statement that the issue and the endorsement are intended only for professional investors, who are not directly or indirectly members of the issuer.

To this end, please note that promissory notes could be issued only by corporations, cooperative enterprises and mutual insurance companies. Among corporations, promissory notes could only be issued by joint stock companies and limited liability companies that do not fall under the definition of "micro-enterprises"¹. Finally, note that companies other than "small and medium enterprises" as defined in Recommendation 2003/361/EC of 6 May 2003 can decline to appoint a sponsor under provision of Article 32, paragraph 18 of Law no. 134 of 7 August 2012.

¹ The Commission Recommendation 2003/361/EC of 6 May 2003 specifies (Article 2 of the Annex):

"1. The category of micro, small and medium-sized enterprises (SMEs) is made up of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding EUR 50 million or whose annual balance sheet total does not exceed EUR 43 million.

2. Within the SME category small enterprise is defined as an enterprise employing less than 50 persons and whose annual turnover or annual balance sheet total does not exceed EUR 10 million.

3. Within the SME category micro-enterprise is defined as an enterprise employing less than 10 persons and whose annual turnover or annual balance sheet total does not exceed EUR 2 million."

If, in exceptional circumstances and subject to agreement with Monte Titoli, it is not possible to send the aforementioned application for admission by means of MT-X, the Issuer may send the paper application form MT265 together with the required documentation. In such cases the documents, in Microsoft Word or PDF format, are sent to the email address: ammissione.titoli@montetitoli.it.

To send the application correctly, the following instructions should be observed:

- each application for admission must include authorised signatures (conforming to the deposited *specimen signature*) and must contain all registration information required of the Issuer for management of the Monte Titoli services,
- a separate file must be created for each application for admission sent; each file will be denominated with the prefix MT265, followed by a hyphen and the ISIN code (e.g. MT265_IT0009999999), with a total of 18 characters.

With specific reference to bonds and other debt instruments tradable on capital markets:

- a separate Word/PDF file must be presented for each prospectus or terms and conditions or regulations of financial instruments sent;
- the files must be denominated with the complete ISIN code of the financial instrument to which they refer, with a total of 12 characters (e.g.: IT0009999999);
- the ISIN number of the financial instrument to which the document refers must always be indicated in the files.

Issuers of bonds of an amount lower than 50.000.000 euro and ABS issuers shall communicate, at the moment of the application for admission of financial instruments, through form MT 265 available on MT-X, their willingness to use the operative procedures "Easy Issuance Suite", in order to benefit from the payment method referred to in point 3.4.17.

1.5 Admission procedure

After verifying that all the admission requirements set out in the Rules have been met and on the basis of information received from the Issuer, Monte Titoli enters the financial instrument into its registries.

The census of the financial instrument is carried out:

- **The same day of the receiving of the request, for applications received within 2.30 p.m.;**
- **The following day from the receiving of the request, for applications received after 2.30 p.m.**

Monte Titoli notifies the Issuer of the admission of the financial instrument to the System by a note on the "Daily statement".

1.6 System reporting

Monte Titoli informs the participating issuers and intermediaries of financial instruments admitted to the System on a daily basis by a Service Notice.

The list of financial instruments admitted to the System is published by Monte Titoli every day on MT-X platform.

This list is also sent on request to participating issuers and intermediaries by means of file transfer or RNI every two months.

In the Service Notice and the other lists indicated above, a specific mention is made of securities admitted to the System with a transfer restriction.

1.7 Change of the fiscal status of the centralised financial instruments

Issuers of financial instruments subject to a tax regime other than the Italian one, must immediately communicate any change in the applicable fiscal regime in order to enable Monte Titoli to take the necessary measures for the management of the financial instrument, that will be notified to the Intermediaries and Issuers by means of specific Service Notices.

In particular, for financial instruments for which *Section 871 (m) of the Internal Revenue Code ("IRC")* becomes applicable after admission to the Central Securities Depository Service, Monte Titoli shall not manage the payment of proceeds on behalf of the Issuer.

1.8 Initial registration in dematerialised form

1.8.0 General provisions

Registration shall be on the basis of:

- nominal value, equal to or a multiple of the minimum denomination established by the prospectus or the terms and conditions or the issue regulations, for bonds and other debt instruments;
- quantity, for shares and other financial instruments.

Financial instruments issued in euro shall be registered on the basis of the following procedures:

- a) the "DVP Issuance" (delivery versus payment) centralisation procedure, which provides for the debiting/crediting of newly-issued financial instruments at the same time as the crediting and debiting of the cash amount corresponding to the amount subscribed/placed;
- b) the "FOP Issuance" (free of payment) centralisation procedures, which provides for the debiting and crediting of the financial instruments via the message "Financial instruments centralisation order".

The "DVP Issuance" centralisation procedure is used to register all newly-issued financial instruments, excluding:

- a) financial instruments for which an application for admission to trading on a regulated market or MTF has been submitted;
- b) financial instruments issued against securitisation operations governed by Law No. 130/1999;
- c) financial instruments issued or assigned to employees;
- d) financial instruments issued by banks or investment companies and credited to an intermediary account of the same issuer;
- e) financial instruments whose issue has been subscribed, in whole or in part, by the vehicle referred to in Article 27 of Law Decree no. 34/2020 as converted by law 17 July 2020, n. 77 or by the fund referred to in Article 26, paragraph 12 of the aforementioned decree.

Issuers of the financial instruments set out in letters a), b), c) and d) shall specify, at the time of admission, whether they intend to apply the "DVP Issuance" or the "FOP Issuance" procedure.

Financial instruments that are managed by the issuer and issued in a currency other than euro, as well as financial instruments which include a deferral clause with the capitalisation of interest (so-called PIK note), can only be registered through the "FOP Issuance" procedure.

In order to ensure the proper functioning of the "System", Monte Titoli may establish deadlines for centralisation operations, in particular for financial instruments affected by corporate transactions, the deadlines usually expected or indicated from time to time by Service Notices must be observed.

Registration may be performed with a value date on sight or with deferred maturity.

Financial instruments credited to the securities account of the beneficiary intermediary are immediately available for settlement of operations with the same value through the Settlement Service.

1.8.1 DVP Issuance (delivery versus payment) centralisation procedure

1.8.1.1 Issue Mandate

For the "DVP Issuance" centralisation procedure to be activated, the Issuer must send Monte Titoli an "Issue Mandate" message (form MT268) via the MT-X platform.

The "Issue Mandate" should include the following general information:

- the ISIN code of the financial instrument;
- the quantity or nominal value of the financial instruments to be centralised;
- the total amount (in euro) subscribed or placed;
- the transaction payment date (PD), meaning the date the issue is scheduled to be accounted for in the accounting records system of Monte Titoli;
- the "set" or "variable" amount (in euro) to be settled at the transaction payment date;
- if available, the person tasked with the delivery of the financial instruments to the subscribers;

- the ABI code of the Collecting Bank appointed by the issuer for crediting the cash in Target2 or T2S;

If the actual amount to be paid on the payment date is less than the total amount subscribed/placed, as specified in the "Issue Mandate", the issuer must explain the reasons for the difference.

The Issuer may request a single centralisation operation for the same ISIN code and the same settlement date, except where the centralisation operation is rejected by the system.

1.8.1.2 System reporting

With consent from the issuer, to be specified in the "Issue Mandate" sent when the mandate to manage the operation is given, Monte Titoli will provide the intermediaries with the following information, where available:

- Mandate number
- Entitlement start date
- Description
- Currency
- Nominal value
- Short name
- First ex-dividend date
- Coupon payment intervals
- ISIN code
- Issue price
- Issuer's e-mail
- Name of issuer
- Whether or not to be listed
- Maturity
- Minimum denomination
- Initial or previous pool factor
- Fixed rate
- Redemption price
- Payment date
- Total value of issue

1.8.1.3 Acceptance of a mandate by the Collecting Bank

The Collecting Bank appointed by the Issuer, and its Agent Bank in the Target 2 system (where relevant), must send their acceptance to the Issuer and to Monte Titoli by means of a form MT500 entitled "Acceptance of mandate by the Paying Institution".

If the Collecting Bank and its Agent Bank (where relevant) reject the mandate, the Issuer must identify a new Collecting Bank and send a new "Issue Mandate".

The Collecting Bank informs Monte Titoli whether it intends to receive payments through the RTGS account or the DCA account. The communication should be sent through the CLIMP platform. If the Collecting Bank intends to receive payments through the DCA account, the Issuer must associate its own securities account (SAC) with the cash account of the Collecting Bank, adding the reference details into its operating data through CLIMP.

The operation cannot be submitted for settlement if the association operation is not completed.

The replacement of the Collecting Bank must be carried out by the business day before the payment day, through the appointment, by the Issuer, of a new Collecting Bank. The new Collecting Bank, and its Agent Bank (where relevant), must promptly send the acceptance of the mandate to the Issuer and Monte Titoli by means of a form MT500 entitled "Acceptance of mandate by the Paying Institution".

In the case of replacement, if the new Collecting Bank intends to receive payments in T2S, the Issuer must associate its own securities account (SAC) with the cash account of the new Collecting Bank, adding the reference details into its operating data through CLIMP.

Monte Titoli shall not execute the operation in absence of acceptance of the mandate by the Collecting Bank or in the case of failure to associate the securities account of the Issuer (SAC) with the cash account of the Collecting Bank.

1.8.1.4 Sending instructions for the settlement of the DVP Issuance operation

By 15:45 on the day preceding the centralisation operation payment date (PD-1), the Issuer sends Monte Titoli the "Issue Mandate" together with detailed instructions for delivery versus payment to be settled at the payment date.

The issuer requesting to use the operative procedures "Easy Issuance Suite" for the central depository of issuance of an amount lower than 50.000.000 euro can transmit the placement instructions through:

- form "268" (DVP Issuance) via MT-X, to be sent by 15:45 on the day preceding the payment date, if the debt instrument is not admitted to trading on a regulated market or a MTF;
- form "710" FOP (Free Of Payment) via MT-X, to be sent by 17:40, if the debt instrument is admitted to trading on a regulated market or a MTF.

For operations with a "set amount", the issue mandate should contain all the instructions for delivery versus payment to be settled at the payment date. For operations with a "variable amount", the issuer can enter new settlement instructions after the mandate has been sent, until 15:45 on the payment date. Each instruction should specify the following information:

- the cash account of the intermediary engaged by the issuer to settle the operation (where relevant);
- the quantity or nominal value of the financial instruments subscribed;

- the amount to be debited to the cash account of each beneficiary intermediary;

The issuer can modify individual non-settled instructions or enter new instructions before 15:45 on the payment date (PD), but only for operations with a "variable amount".

Upon receiving the instructions, and in the case of modification or cancellation, Monte Titoli will enter the delivery versus payment instructions and send the following provisional messages:

- message 7B3 to the issuer, indicating the total amount to be credited and the quantity/nominal value of the financial instruments to be centralised;
- message 7B1 to the Collecting Bank and its Agent Bank (where relevant), indicating the total amount to be credited (no message is sent for total amounts equal to zero);
- message 7B2, containing the breakdown by intermediary of the amount to be debited and the quantity/nominal value of the financial instruments subscribed.

The provisional messages 7B1/2/3 are sent exclusively through the RNI/MTX channels and not through SWIFT messages.

1.8.1.5 Matching of instructions

Intermediaries will be notified for the matching of the transaction via their connection systems to the T2S settlement platform.

Following the settlement notification, Intermediaries must enter their matching instructions by 15:45 hours on the date set for the settlement of the centralisation (PD) and in any case in time for them to be accepted and settled by the settlement platform.

Instructions not matched are not eligible for the settlement process.

Solely for transactions with a "fixed amount", if one or more instructions are not matched the transaction will not be executed and will be deleted from the system on the expected date of settlement of the transaction (PD).

1.8.1.6 Settlement of the DVP centralisation operation

The issuer shall specify in the issuance mandate whether, on the payment date, the settlement of the cash amount must take place at the same time and in full "transactions with a fixed amount" or partially "transactions with a variable amount".

For transactions with a "fixed amount", failure to settle one or more instructions shall result in the cancellation of the entire transaction.

For the settlement of the transaction, Monte Titoli uses dedicated technical accounts for the debiting/crediting of securities and cash.

On the payment date, Monte Titoli enters the transaction in its accounts and carries out the following movements at the same time:

- debit of the Issuer's securities account and corresponding credit of Monte Titoli's dedicated securities account;
- debit of the actual amount to be collected from each intermediary's DCA account and corresponding credit of Monte Titoli's (technical) DCA account;
- debit of Monte Titoli's dedicated securities account and corresponding credit of the securities account of each subscriber intermediary;
- debit of Monte Titoli's (technical) DCA account and corresponding credit of the RTGS or DCA account of the Collecting Bank of the issuer or of the related Agent Bank (where present). If the credit is to be made to the Collecting Bank's RTGS account, Monte Titoli shall prepare in advance the transfer of the related cash from its (technical) DCA account to its corresponding RTGS account;

Once the centralisation operation has been settled, Monte Titoli sends the following final information:

- message 7B3 to the issuer with details of the amounts credited and the quantity/nominal value of the financial instruments centralized;
- message 7B1 to the Collecting Bank and its Agent Bank (where present) indicating the total amount credited to be paid to the issuer (if the total amount is zero the message is not sent);
- message 7B2 with details for each intermediary of the actual amount debited and the quantity/nominal value of subscribed financial instruments credited to the securities account.
- message 71N (or SWIFT 544/546) securities settlement notification sent to the issuer and the intermediary subscribers.

The 7B1/2/3 messages are only sent via RNI/MTX channels, no SWIFT messages are sent.

1.8.1.7 Rejection of the DVP Issuance operation

If an operation is rejected by the system, the Issuer has the option of amending the data relating to the individual instructions and to resend the operation by 15:45 hours on the day before the settlement date of the centralisation operation (PD-1) using the same "Issuance Mandate". In this case, the operation may be initiated with the same settlement date as the original operation.

1.8.1.8 Cancellation of the DVP Issuance operation

The issuer may request the cancellation of the entire "predetermined amount" transaction by 15.45 on the payment date (PD).

The cancellation of the operation is notified by means of cancellation messages 7B3/1/2, sent respectively to the Issuer, to the Collecting Bank and to its Agent Bank (where present) and to the Intermediaries.

In the case of a "variable amount" transaction, the issuer may cancel one or more instructions which have not been settled by 15.45 on the payment date (PD).

Against the request for cancellation of the issuer Monte Titoli:

- cancels the instruction to debit the securities from the issuing account and credit the Monte Titoli technical account.

- inserts the instruction to cancel the DVP instruction between its own technical account and that of the beneficiary intermediaries. The cancellation of the DVP instructions will take place immediately in case of undetected DVP instructions and only after the insertion of the cancellation request by the intermediaries in case of operations detected. In both cases it will not be possible to settle the DVP issuance transaction.

Intermediaries may request the cancellation of unsettled instructions by 15.45 on the payment date (PD). In this case, cancellation is subject to the sending to Monte Titoli of the request for cancellation of the instruction by the Issuer.

The cancellation of the transaction or of the individual instruction is notified by means of the cancellation messages 7B3/1/2, sent respectively to the Issuer, to the Collecting Bank and to its Bank through (where present) and to the Intermediaries.

Intermediaries will receive the cancellation notification via their systems linking to the T2S settlement platform.

In the event of cancellation of the transaction or individual instruction by the Issuer, the intermediaries must cancel the instruction for which they are responsible.

1.8.1.9 Postponement and re-submission of the DVP centralisation operation

The Issuer, by 15:45 on the date of payment, may postpone the operation by modifying the date of payment entered in the mandate and specifying a later date than that indicated above.

In the case of transactions with "variable quantity" the issuer may request the postponement of the entire transaction only if none of the payment account instructions have yet been settled.

The Issuer may request to carry out again the issue transaction of the same ISIN only if the previous transaction has been cancelled. The transaction must be submitted again with a settlement date subsequent to the entry date of the new operation.

1.8.2 "FOP Issuance" (free of payment) centralisation procedure

Before proceeding with the centralisation request for the ~~admitted~~ financial instruments, the Issuer shall send through the MT-X platform the due MT 265 bis instruction on the change of the total issued value together with in attached a specific declaration attesting that placement or subscription have taken place.

In the absence of the notification of the issued value and of the declaration having been sent, Monte Titoli shall not process the crediting instruction that will therefore remain suspended until the full formalisation of fulfilments.

In particular, such a declaration shall contain:

- the terms and characteristics of the placement/subscription and in particular the crediting date;
- whether the input in the centralised security system regards financial instruments newly issued or already placed.

In order to comply with this requirement, instead of the self certification above, the issuer can send to Monte Titoli, if existing, the communication to the public on the results of the offering provided for by the rules on public offerings.

Monte Titoli rejects the communications that do not include the information required.

The said communication must reach Monte Titoli with due advance before sending the message "Order of centralized financial instruments" and in any case by 16:00 CET on the Accounting Day scheduled for the centralisation of the financial instruments, in order to enable it to make appropriate changes in the operational data necessary for processing the request for centralisation.

In the absence of such communication Monte Titoli shall not proceed with the operation of centralisation and put the same in a state of "suspended". The operation will be performed on the next working day and in any case, upon receipt of the said communication.

To perform this operation, the Issuer must send the following information to Monte Titoli by means of message entitled "Financial instruments centralisation order" containing the following information:

- the ISIN code of the financial instrument to be centralised;
- the value date (on sight or with deferred maturity) on which Monte Titoli is to perform the centralisation operation;
- its own securities account from which the amount of the financial instruments is to be debited;
- the beneficiary Intermediary's securities account;
- the amount, indicated by quantity or nominal value, of the financial instruments to be credited.

Monte Titoli will enter the operation into the accounts, crediting the relevant amounts to the accounts of the beneficiary Intermediaries with a counter-entry in the Issuer's securities account in T2S, with the deadlines specified below:

- usually within one hour of receipt of the "Centralisation order" with an "on sight" value date;
- for applications for centralisation received with an instruction that the value date be with "deferred maturity", on the indicated date;

Financial instruments centralisation operations for which a corporate event is ongoing are entered into the accounts by Monte Titoli on the business day following the date of settlement of the related corporate event.

The Issuer shall send through the MT-X platform the due MT 265 bis instruction on the change of the total issued value with attached a specific declaration attesting that placement or subscription have taken place.

In the absence of the notification of the issued value and of the declaration having been sent, Monte Titoli shall not process the crediting instruction that will therefore remain suspended until the full formalisation of fulfilments.

In particular, such a declaration shall contain:

- the terms and characteristics of the placement/subscription and, in particular, the crediting date;

- whether the input regards financial instruments newly issued or already placed.

In order to comply with this requirement, instead of the self certification above, the issuer can send to Monte Titoli, if existing, the communication to the public on the results of the offering provided for by the rules on public offerings.

Monte Titoli rejects the communications that do not include the information required.

The said communication must reach Monte Titoli with due advance before sending the message "Financial instruments centralisation order" and in any case by 16:00 CET on the Accounting Day scheduled for the centralisation of the financial instruments, in order to enable it to make appropriate changes in the operational data necessary for processing the centralisation application.

In the absence of such communication Monte Titoli shall not proceed with the centralisation operation and put the same in "suspended" state. The operation will be performed on the next working day and in any case, upon receipt of the said communication.

1.8.3 Registration of non-centralised financial instruments in dematerialised form

For the purpose of dematerialisation of non-centralised financial instruments, the intermediaries shall send the cancelled certificates to the issuer, notifying Monte Titoli.

When it has received the cancelled certificates, the Issuer requires the centralisation of the financial instruments in the manner set out in paragraph 2.9.

1.9 Initial registration of non-dematerialised financial instruments

The initial registration of centralised financial instruments is completed through the delivery of the related certificates held in custody by the intermediaries or the issuer, following application for admission of the financial instruments submitted by the issuer in accordance with the procedures set out in paragraph 2.4.

The delivery of the certificates can be completed by courier service, in the case of registered financial instruments, or by a cash transport company, for bearer financial instruments.

The delivery can be completed by courier service, in the case of registered financial instruments, or by a cash transport company.

In order to optimise physical stocks of the certificates that it holds and to minimise their physical transfer, Monte Titoli may request the Issuer to group certificates relating to the financial instruments that it has issued.

The registration of paper-based securities is subject to the fulfilment of the formalities set out in the regulations governing the financial instrument.

For the purpose of registration, the Issuer should affix the following text to the certificates of the bearer financial instruments to be centralised:

"This financial instrument is exclusively to be considered for centralised safekeeping and administration in Monte Titoli S.p.A."

In the absence of the aforesaid text, Monte Titoli is mandated to affix the text directly.

The text can be translated in a different language if compliance is ensured with the aforesaid formulation.

The paper instructions should be signed by the authorised persons (according to the specimen signature deposited) and should contain:

- the ISIN code of the centralised financial instrument;
- the value date (on sight or with deferred maturity) on which Monte Titoli is to perform the centralisation operation;
- the beneficiary Intermediary's securities account;
- the amount, indicated by quantity or nominal value, of the financial instruments to be credited.

The registration of non-dematerialised financial instruments shall not be performed by means of electronic platforms.

After checking the regularity of the financial instrument, once the deposit is acknowledged, Monte Titoli sends the issuer and the intermediaries the required information by message "Daily statement".

Exclusively on the issuer's request, Monte Titoli provides a MT18 printout entitled "inventory of certificates", which shows the situation of denominations and pieces of each security issued by the Issuer itself that is present in its vault.

Financial instruments in a non-dematerialised form are registered in the following business hours:

- Monday to Friday - from 10.00 to 13.00

The Issuer is required to inform in advance Monte Titoli about the operation by sending an e-mail to the Domestic Custody office (e-mail address helpdesk.domesticcustody@lseg.com) 2 days in advance, specifying the delivery methods.

Special situations or needs of operation outside the time limits must be agreed by sending a request by e-mail to Domestic Custody office (e-mail address helpdesk.domesticcustody@lseg.com) 2 days in advance. Monte Titoli may manage the requests according to its operational/organisational needs.

Requests for the centralisation of paper-based securities received after the deadlines indicated or without a prior notice, may be rejected by Monte Titoli and, in this case, the paper-based financial instruments shall be returned to the Issuer at the latter's expense and risk.

1.10 Time limits for registration operations

In order to ensure the proper functioning of the service, Monte Titoli may establish registration deadlines.

In the case of corporate operations, the standard time limits or those specified from time to time in the Service Notices shall be observed.

For bonds affected by payment of interest and capital redemption, centralisation operations are not allowed in the 2 days before the date of payment of interest or capital redemption.

Any centralisation operations to be carried out in the 2 two days before the date of payment of interest or capital redemption must be agreed in advance with Monte Titoli.

Registration instructions received within the required deadline, performed by means of a "Financial instruments centralisation order" message, are entered into the accounts by Monte Titoli on the working day following the settlement date of the related corporate operation.

1.11 Reduction of the nominal value or quantity of dematerialised financial instruments

The System enables Issuers to reduce the nominal value or quantity of financial instruments that they have issued.

Monte Titoli completes the operation using cash in hand deposited:

- a) in the issuer's own securities account, in the capacity of intermediary;
- b) in the securities account of any intermediary.

The reduction in nominal value or quantity may be performed with a value date "on sight" or with "deferred maturity".

The reduction operation above can be performed by sending message 710 "Request for a reduction in nominal value", indicating:

- the ISIN code of the financial instrument that is to have its nominal value (quantity) reduced;
- the amount of the financial instruments, indicated by quantity or nominal value;
- the value date of the operation ("on sight" or with "deferred maturity");
- the securities accounts concerned by the operation (the Issuer's account and securities account, in its capacity as Intermediary).

Monte Titoli will enter the reduction in nominal value/quantity centralised into the accounts, debiting the Issuer's (as Intermediary) or the Intermediary's securities account, by the same amount with a counter-entry in the Issuer's securities account, within the following timeframes:

- usually within one hour of receipt of the "Request for a reduction in nominal value" with an on-sight value date;
- for applications received with an instruction that the value date be with deferred maturity, on the indicated date.

1.12 Reduction of the nominal value/quantity of non-dematerialised financial instruments

The service enables Issuers to reduce the nominal value or quantity of financial instruments issued in non-dematerialised form.

The operation may be performed by the Issuer, using cash in hand deposited:

- a) in the Issuer's own securities account, in the capacity of Intermediary;
- b) in the securities account of any Intermediary that is a member of the System.

The reduction operation is performed by Monte Titoli upon a mandate from the Issuer by sending message "General Mandate", indicating:

1. the ISIN code of the financial instrument subject to reduction;
2. the amount to be reduced, indicated by quantity or nominal value;
3. the value date of the operation;
4. the securities accounts concerned by the operation (the Issuer's account and the Intermediary's or the Issuer's, in its capacity as Intermediary, securities account);
5. the updated issued nominal value (quantity).

The mandate must be sent to Monte Titoli within and no later than 3 working days before the value date of the operation.

Monte Titoli will inform the Issuer and the Intermediary involved through a "Daily statement" message.

Monte Titoli will enter the reduction in nominal value/quantity centralised into the accounts, debiting the Intermediary's (or the Issuer's as Intermediary) securities account, by the same amount with a counter-entry in the Issuer's securities account, in the following manner:

- at the value date of the operation;
- at the first business day possible, for applications not received in due time or if the Intermediary's communication has not been received.

Monte Titoli, will also return the following to the issuer:

- the certificates and Form MT 120 "Report of certificates being drawn by Issuer", a copy of which the Issuer will return to Monte Titoli, duly signed as confirmation of receipt;
- a letter reporting the request for the return of the certificate for the amount of the financial instrument remaining in circulation if the reduction does not entail the extinction of the security.

1.13 Exclusion and withdrawal of financial instruments

1.13.1 Exclusion of dematerialised financial instruments

In cases of exclusion of dematerialised financial instruments, Monte Titoli provides the Issuer with the statement representing the amount of each issue, which includes:

- the name and BIC code of the Intermediaries holding the excluded instruments;

- the balances of the securities accounts of the Intermediaries;

Exclusion entails the debit of the financial instruments from the securities account of the Intermediaries. Monte Titoli shall promptly inform the intermediaries by means of a Service Notice.

1.13.2 Withdrawal of non-dematerialised financial instruments

Non-dematerialised financial instruments are withdrawn from the System on the request of the Intermediary, by filling out form MT 30 "Application for withdrawal".

The operation concludes with the delivery of the certificates to the Intermediary that has requested them. When the certificates are registered, they are endorsed to the Intermediary itself, using the following formula:

"To..... (name of the Intermediary)"		
Milan, (date) (stamp and signatures of Monte Titoli)		
and, pursuant to Article 88 of Legislative Decree No. 58 of 24 February 1998		
"To (name of the client)"		
BORN IN	DATE	NATIONALITY
DOMICILE OR REGISTERED OFFICE		
place Intermediary	date	stamp & signature of the
.....		

Monte Titoli compiles the first part of the endorsement only.

The Intermediary completes the endorsement with the name of the endorsee client and the relevant identification data.

In order to meet the financial instrument withdrawal requests of Intermediaries and in the event that Monte Titoli does not possess the necessary denominations to meet such requests, Monte Titoli may require the Issuer to split large-denomination certificates in its custody.

To perform these operations, Monte Titoli sends to the Issuer:

- the certificates and Form MT 120 “Report of certificates being drawn by Issuer”, a copy of which the Issuer will return to Monte Titoli, duly signed as confirmation of receipt;
- a letter reporting the request for denominations resulting from the splitting.

In case of withdrawal of bearer certificates with the affixed text, the Intermediary may rely on the Issuer to obtain the issuance of financial instruments of good delivery.

Monte Titoli returns the financial instruments as instructed by the Intermediary in the order of withdrawal, by one of the following methods:

- a) making the certificates available to the Intermediary at its own place of business;
- b) sending the certificates to the Intermediary;
- c) making the certificates available to the Intermediary through the Issuer, to which Monte Titoli gives the necessary delivery instructions. The latter circumstance may occur in the following cases:
 - due to unavailability of suitable denominations at Monte Titoli to satisfy the withdrawal requirements of Intermediaries;
 - due to Monte Titoli’s specific operational requirements;
 - on the specific request of the Intermediary;
 - for the return of already matured financial instruments (warrants, rights etc.);
 - for the return of financial instruments excluded from the System. If the Intermediary has not withdrawn the financial instruments after 15 days from the notification of exclusion, Monte Titoli proceeds to return them at the Intermediary’s risk and expense;
 - for the return to the Intermediaries of financial instruments resulting from corporate operations, if they cannot be centralised.

In cases a), and b), Monte Titoli:

- proceeds to reserve the requested lot of financial instruments in the securities account of the applicant Intermediary. From that moment and until Monte Titoli has proceeded to deliver or send the financial instruments, the lot is unavailable for any other ordinary or special operations, as it is subject to a reservation block. Monte Titoli informs the Intermediary of the reservation block by means of a “Daily statement”;
- prepares the envelope containing the certificates and Form MT 13 “List of returned certificates”, a copy of which the Intermediary will return to Monte Titoli, duly signed as confirmation of receipt;
- orders the return of the financial instruments as instructed by the Intermediary in the order of withdrawal, by one of the following methods:
 - a) holds the financial instruments at the disposal of the Intermediary for collection at the counter;
 - b) sends the financial instruments to the Intermediary;
- at the same time as the financial instruments’ exit from the System, the quantity withdrawn is debited to the securities account specified by the Intermediary.

Monte Titoli returns the financial instruments by post under the responsibility and risk and with the cost charged to the Intermediaries (with insurance cover, in the case of bearer financial instruments) by means of:

- cash transport firms;
- couriers, for registered financial instruments.

In the event that Monte Titoli has not received a copy of form MT 13 “List of returned certificates” signed as an acknowledgement of receipt 30 days after the date of dispatch, form MT 84 “Request for confirmation of receipt of envelope” is automatically produced and transmitted by fax to the Intermediary. In the event that, 5 working days after the sending of the latter request, Monte Titoli has not received written acknowledgement, Monte Titoli reports the loss of the financial instruments in question, charging costs to the Intermediary and proceeding to fulfil any further requirements that may be necessary.

The financial instruments, if not withdrawn from the counter at Monte Titoli’s premises, are returned at the Intermediary’s risk and expense.

In case c), Monte Titoli:

- sends the certificates to be split to the Issuer, accompanied by form MT 120 “Report of certificates being drawn by Issuer”, a copy of which must be immediately returned to Monte Titoli, signed in acknowledgement of receipt, and a letter containing the request for splitting;
- at the same time, debits the securities account of the Intermediary concerned with a counter-entry in the Issuer’s account.

Monte Titoli informs the participating issuer and intermediaries by means of a “Daily statement”.

The Intermediary is required to promptly provide the Issuer with instructions on the denominations necessary to meet requirements for delivery to the client and, for registered certificates, the requested registration details on the certificates.

In the case of financial instruments that have expired (warrants, rights, etc.), or financial instruments for which admission has been revoked, Monte Titoli proceeds on its own initiative to return the financial instruments, making them available to Intermediaries through the Issuer.

Monte Titoli informs the issuer and the intermediaries by means of a “Daily statement” message.

Monte Titoli keeps the withdrawal order suspended, without making any reservation in the securities account of the originator Intermediary, in the event that, due to the absence of certificates in suitable denominations to perform the withdrawal order, it is necessary to split the certificates in collaboration with the Issuer.

1.14 Communications concerning registered financial instruments governed by Italian law

Monte Titoli informs the Issuer of the registered certificates admitted and/or excluded from the service at the end of each calendar month by means of form MT 16 “Registered shares in centralised administration”.

The Issuer communicates the specific identification numbers of certificates for financial instruments that are being discontinued or subject to amortisation procedures, together with data on lost or mislaid certificates or certificates that are in any manner irregular.

1.15 Registration of Italian government securities and financial instruments of public debt

1.15.1 Registration subsequent to placement operations

In general, Government bonds are admitted to the System after placement by auction (ordinary and supplementary) managed by Bank of Italy through the "Placement of government bonds (NEWCOL) procedure" and the related settlement operations performed by Monte Titoli through the Settlement Service.

At the end of these activities, Monte Titoli makes the relevant entries on the account of the Intermediaries concerned and on the Issuer's account.

On the day of auction, after the operations have been performed, Bank of Italy (through NEWCOL procedure) sends the data on trades concluded to the Settlement Service, in particular:

- data on the securities items that the assignees must be credited on the settlement day;
- data on the cash items that the Bank of Italy must be credited on the settlement day.

The Bank of Italy informs Monte Titoli by electronic message of the nominal value of each financial instrument placed. Monte Titoli confirms the acceptance/rejection of the operation to the Bank of Italy.

On the day after the auction, or on the same day if the next day is the settlement day (e.g. in the case of supplementary auctions), Monte Titoli sends:

- for each security, the free of payment (FOP) instructions for the placement on the Issuer's securities account;
- for each trade concluded, a delivery versus payment (DVP) instruction, subject to the successful outcome of the same;

On the day of settlement, the operations are settled by the Settlement Service. Monte Titoli informs Bank of Italy and the subscriber Intermediaries of the outcome of the operations by means of the messages 71N. Operations that are not settled due to lack of cash are automatically re-submitted for settlement in the five days following the settlement date, as provided for in the Decree of 5 May 2004 "Provisions in case of delay in the settlement of issuance, swap and buy-back transactions". Non-settled trades will be cancelled by Monte Titoli five business days after the settlement date.

The same provisions apply, insofar as they are compatible, in the case of centralisation subsequent to a distribution of government bonds via the market platform. In such case reference shall be made to the timescale established in the issue decree and/or in other communications of the Issuer and the Notice published by Borsa Italiana.

1.15.2 Buy-back auction operations

Buy-back auctions are managed by the Bank of Italy - on behalf of the Italian Ministry of Finance (MEF) - through the NEWCOL procedure, while their settlement is managed by Monte Titoli through the Settlement Service.

On the day of auction, after the operations have been performed, the NEWCOL procedure sends the data on trades concluded to the Settlement Service, in particular:

- data on the securities that shall be credited to the Ministry by the assignees on the settlement day;
- data on sums that the successful bidders must be credited on the settlement day.

The Bank of Italy informs Monte Titoli by electronic message of the nominal value of each financial instrument subject to buy-back.

Monte Titoli confirms the acceptance/rejection of the operation to the Bank of Italy.

On the day of settlement of the auction, the operations are settled by the Settlement Service via submission of the DVP Settlement Instructions. The settlement of these DVP Settlement Instructions is subject to the execution of the FOP settlement instruction, which serves the purpose of reducing the overall centralised value of the securities by the total amount traded at auction.

Monte Titoli informs Intermediaries of accounting movements by electronic message.

The day after the auction, Monte Titoli forwards the following to the Settlement System:

- for each security, the free of payment (FOP) instructions for purchase on the Issuer's securities account;
- for each trade concluded, a delivery versus payment (DVP) instruction.

On the day of settlement, the operations are settled by the Settlement Service. Monte Titoli informs Bank of Italy and the intermediaries concerned of the outcome of the aforesaid operations by means of the messages 71N.

Operations that are not settled at the settlement date due to lack of securities are automatically re-submitted for settlement in the successive five business days, as provided for in the Decree of 5 May 2004 "Provisions in case of delay in the settlement of issuance, swap and buy-back transactions". Non-settled trades will be cancelled by Monte Titoli five business days after the settlement date.

1.15.3 Buy-back and share swap operations performed by the Issuer

Buy-back operations concluded by the Ministry through intermediaries, share swap operations on MTS, share swap operations concluded at auction (buy-back part) and buy-back and share swap operations through Intermediaries are executed by the same methods described in the paragraphs above.

The communication concerning the total amount purchased, for each security purchased, and the value of the security placed, is sent to Monte Titoli by Bank of Italy.

On receipt of the communication, Monte Titoli:

- in the case of a purchase, updates the accounting positions of the Issuer's accounts (intermediary account and issuer account), reducing the centralised value of the security in question by the total amount repurchased;
- in the case of a placement, updates the accounting positions of the Issuer's accounts (intermediary account and issuer account), increasing the centralised value of the security in question by the total amount placed.

Monte Titoli informs Bank of Italy of the outcome of the aforesaid operations by means of the messages 71N.

1.15.4 Registration of securities placed by the ECB

Bank of Italy, acting in the name and on behalf of the ECB, opens an issuer account in the name of the ECB with Monte Titoli, on which it can perform all transactions linked to the operations associated with the securities issued by the ECB in the Central Securities Depository Service.

On the date the securities are settled, Bank of Italy (through the PORTI procedure) sends the data on trades concluded to the Settlement Service, in particular:

- data on the securities items that the assignee intermediaries must be credited on the settlement day;
- data on the cash items that the Bank of Italy must be credited.

The Bank of Italy informs Monte Titoli by electronic message of the nominal value of each financial instrument placed. Monte Titoli confirms the acceptance or rejection of the operation to the Bank of Italy.

The operations are sent by Bank of Italy to Monte Titoli and will be automatically cancelled by Monte Titoli if they are not settled by the settlement date.

For operations not settled due to counterparty's lack of cash, at the end of the settlement date, Bank of Italy requests Monte Titoli to withdraw the non-placed debt certificates via message 710.

On receiving the message, Monte Titoli updates the accounting positions, reducing the accounts of the issuer and Bank of Italy by the value of the non-settled securities.

1.15.5 Financial service and Treasury accounting

Operations for interest payment and capital redemption having the same due date are managed separately by Monte Titoli, with each operation assigned a specific number.

At the relevant due date, Monte Titoli notifies Bank of Italy of the amount of the interest payment or capital redemption that should be paid to beneficiary Intermediaries, on the basis of the balances entered in the Intermediaries' securities accounts, according to the prospectus or the terms and conditions or the regulations of each financial instrument.

On the basis of the information communicated by the issuer, Monte Titoli provides the intermediaries with Service Notice 721 concerning the interest payment or capital redemption operations.

On the payment date, in cases of redemption, Monte Titoli:

- if provision is for total redemption, resets the securities account of the Intermediaries to zero for the entire nominal value;
- in the event of partial redemption with a reduction in nominal value, Monte Titoli reduces the balance in the securities account of the Intermediaries by the nominal value redeemed, while at the same time updating the new minimum denomination with the value obtained as a result of the reduction.

As of the date of partial redemption, operations with Monte Titoli are understood to refer to multiples of the new minimum denomination.

The financial service is provided on the basis of the following timescales:

- 20 business days before the date of payment: sending of provisional indication to the Bank of Italy;
- 2 business days before the date of payment: sending of provisional indication to the Bank of Italy, the Intermediaries and the respective Agent Banks (where relevant);
- on the Record date and in event of any subsequent changes: ordinary automatic dispatch of message 7B2 "Entry of balances on the record date", exclusively to beneficiary Intermediaries and their Agent Banks (where relevant);
- date of payment: sending of final indication to the Bank of Italy. The Bank of Italy verifies and confirms to Monte Titoli that the data received is correct and subsequently orders the payment of the amount into the DCA account of Monte Titoli. Monte Titoli orders the settlement of the payments into the DCA accounts of the beneficiary Intermediaries by forwarding the payment free of delivery (PFOD) Instructions, as acknowledged in the night-time settlement phase of the Settlement Service. Subsequently, Monte Titoli sends the final electronic messages.

If the payment instructions cannot be processed, for technical and/or administrative reasons, Monte Titoli settles the payments in favour of the intermediaries concerned via specific contingency procedures and prepares, where possible, standard accounting documents. In such case, all accounting entries will be made, in the accounts (RTGS/DCA) indicated by the intermediaries on the CLIMP platform, according to the type of "Payment (in Euro) on securities denominated in foreign currency". Monte Titoli informs the intermediaries of the activation of the contingency procedures via a Service Notice.

1.15.6 Financial service for irregular certificates

The financial service for irregular certificates is performed in an administrative manner and therefore is not part of the automatic data flow.

The deadlines are normally those indicated in the preceding paragraph.

1.15.7 Coupon stripping/unstripping

The stripping/unstripping operation can only be made on Government Bonds for which the issuer has provided for this possibility in the decree of issue and for which Monte Titoli has published the plans for stripping operations.

The stripping/unstripping operation may be required to Monte Titoli exclusively by qualified Intermediaries, with a special electronic message, and provides specific operating procedures based on the type of securities, as described below.

Index linked Government Bonds

1. the stripping operation involves debiting the nominal value of the original bond, and crediting the nominal value of the principal and the related inflation-linked component and the related strips;

2. the unstripping operation involves crediting the nominal value of the original bond and the concomitant debiting of the nominal value of the principal and the related inflation-linked component and the related strips.

Non-indexed Government Bonds

3. the stripping operation involves debiting the nominal value of the original bond, and crediting the nominal value of the hybrid coupon (which is the sum of the last strip and of the ex principal) and of the other strips;
4. the unstripping operation involves crediting the nominal value of the original bond and the concomitant debiting of the nominal value of the hybrid coupon and of the other strips.

Monte Titoli arranges the coupon stripping/unstripping operations by forwarding free of payment (FOP) settlement Instructions to the Settlement Service.

Monte Titoli announces the accounting movements by electronic messages.

Stripping/unstripping operations are permitted up to 5 working days before the date of payment.

According to the date of issue of the original bond (government bonds issued after 1 January 2013), to ensure non-fungibility, for the same maturity date, with coupons linked to original bonds issued before 31 December 2012, Monte Titoli differentiates between stripping plans by using different ISIN codes.

For each type of bond subject to stripping, Monte Titoli publishes weekly a report on its website www.montetitoli.it showing the total amount subjected to the process, the residue that may be subjected to stripping as well as the details of the stripping/unstripping made. The reports are published separately according to the issue date of the original bond (respectively government bonds issued before 31 December 2012 and government bonds issued after 1 January 2013). Monte Titoli also publishes the existing stripping plans.

1.16 Centralised management of particular categories of financial instruments

Debt financial instruments with a "deferral of payment of coupons" clause

If the terms and conditions of the debt instrument allow for the Issuer to defer the payment of one or more coupons, even partially, at the time of capital redemption (e.g. "PIK" or "PIYC" payment clauses), such bonds are recorded in the Central Securities Depository Service according to the following procedure.

During the centralization phase, Monte Titoli credits the instruments after each beneficiary Intermediary has sent a general mandate confirming the withdrawal. Following the crediting, Monte Titoli places a technical block on the accounts of the Intermediaries.

After the centralisation phase, Monte Titoli sets a block on the accounts of the Intermediaries. In order to process the transfer of debt instruments, the Intermediaries must proceed as follows.

- a) the delivering Intermediary and the receiving Intermediary enter the transfer instructions;
- b) the delivering Intermediary requests Monte Titoli to release the quantity subject to the transfer by means of a "General Mandate" message, indicating the securities account of the receiving Intermediary;
- c) the beneficiary Intermediary sends Monte Titoli a general mandate confirming the withdrawal.

Upon receipt of the unblocking request and the and the assignment referred to in point c) removes the block from the account of the delivering Intermediary to allow the accounting transfer.

Following the transfer, Monte Titoli resets the technical block on the account of the receiving Intermediary.

Block (unblock) operations are communicated to issuers and intermediaries:

- real time, by sending the notification message 71N or MT 508;
- at the end of the day, by sending the "Daily statement".

1.17 Operating methods for the centralised management of shares with "increased voting rights"

For the purpose of the centralised management of shares with "increased voting rights", the Issuer applies to Monte Titoli for the admission of the ISIN CUM VOTOM code, which the Bank of Italy assigns to shares with increased voting rights.

The application for admission is made via submission of the forms MT265/MT265bis, which are available on the MT-X platform. The MT265 form should include, in addition to the security information schedule, an updated copy of the articles of association.

The Issuer will also request Monte Titoli to assign the internal codes and provide a summary of the provisions of the articles of associations governing the terms and conditions and the operating procedures for obtaining registration in the list set out in Article 127-*quinquies* of the Consolidated Law on Finance - to be requested via the General Mandates.

If the application for admission of the ISIN CUM VOTOM code is sent after the date of said General Mandates, the Issuer will be required to send a new General Mandate containing the information set out in the paragraph above and specifying the details of the ISIN CUM VOTOM code.

In the cases set out in Article 127-*quinquies*, paragraph 4 of the Consolidated Law on Finance, in the General Mandate referring to the specific corporate operation, the Issuer will indicate the terms and conditions and the method of assignment of the ID codes, as well as the communications required from the Intermediaries.

For the purpose of the operational management of shares with increased voting rights, Monte Titoli assigns the following internal codes:

- code1: assigned to shares for which a request has been submitted for registration in the list set out in Article 127-*quinquies* of the Consolidated Law on Finance, awaiting confirmation from the Issuer;
- code2: assigned to shares for which the Issuer has confirmed registration in the list set out in Article 127-*quinquies*.

Upon receiving the General Mandate, Monte Titoli provides the issuers and intermediaries with the information required for the operational management of the shares with increased voting rights, sending this through the structured Service Notice MT 722 and the free-form message 097, which supplements the structured notice.

Service Notices contain the operating terms necessary for the correct accounting of the different positions, to be completed via the following transfers:

- from ISIN (regular) to internal code 1
- from internal code 1 to internal code 2
- from internal code 2 to ISIN CUM VOTOM
- from internal codes 1 or 2 and from ISIN CUM VOTOM to ISIN (regular).

Subsequent to submission to the Issuer of the request for registration in the list set out in Article 127-*quinquies*, the Intermediary sends Monte Titoli, via message 715, the instructions for the transfer from the regular ISIN code to internal code 1.

On receiving confirmation from the Issuer of the registration in the list set out in Article 127-*quinquies*, the Intermediary sends Monte Titoli, via message 715, the instructions for the transfer from internal code 1 to internal code 2.

On receiving confirmation from the Issuer of the entitlement to increased voting rights, the Intermediary sends Monte Titoli, via message 715, the instructions for the transfer from internal code 2 to the ISIN CUM VOTOM code.

In the event of loss or waiver of the increased voting rights by the shareholders, the Intermediaries shall send Monte Titoli, via message 715, the instructions for the transfer from the internal codes or from ISIN CUM VOTOM to the regular ISIN code, in accordance with the terms set out in the Service Notices.

Monte Titoli uses online methodologies to process the instructions received.

To confirm the successful outcome of the operation, Monte Titoli sends the Issuer and the Intermediaries concerned the accounting information messages 71N and the daily statement message 706.

Monte Titoli also communicates the following information to the Issuer (or to those acting in the name and on behalf of the Issuer), where specifically requested:

- the details of the transfers between the different codes requested by the participating Intermediaries; and/or
- the balances by account, except where the Intermediaries concerned have prohibited, in the manners indicated in **Chapter 7** (shareholder identification), the disclosure of the balances of their securities accounts.

1.17.1 Information on cases of increased voting rights managed by Monte Titoli

For the purpose of providing comprehensive and centralised information on existing cases, Monte Titoli manages and publishes a specific documentation section on MT-X, where it makes available to intermediaries a specific archive, broken down by Issuer and containing all the Service Notices issued for the operational management of the increased voting rights, as well as a summary overview that links each regular ISIN code with the corresponding internal codes and the ISIN CUM VOTOM code.

1.17.2 Market practices

In line with the provisions of Article 23-*bis* of the Post-Trading Measure, the market practices established by the industry-specific associations (ABI, Assonime, Assosim) should be taken into account when considering any matters not specifically addressed in the Instructions regarding increased voting rights.

1.18. Measures in case of non-reconciliation

In cases of non-reconciliation, Monte Titoli initiates control procedures to identify the cause of the discrepancies found between the balances of the intermediary accounts and the balances of the issuer account, in relation to a specific ISIN.

If the checks carried out show inconsistencies in the accounting records, Monte Titoli will suspend the financial instrument concerned from the operations of the Settlement Service until proper realignment of the accounting balances.

For the purpose of suspending financial instruments from the Settlement Service, Monte Titoli:

1. blocks temporarily the financial instrument concerned by displaying specific "restriction" on the ISIN CODE;
2. sends a specific notice to inform the issuers and intermediaries of the block applied, stating the reasons;
3. activates the necessary checks with the T2S Operator, to identify the cause of the mismatch;
4. ensures the effective and correct accounting position and realigns the related evidence;
5. unblocks the financial instrument to allow the resumption of activities on the ISIN CODE concerned;
6. informs the issuers and intermediaries of the unblocking, reporting the findings of its checks.

2. INSTRUCTIONS FOR THE CENTRALISED BOOKKEEPING SERVICE

2.1 Association of information and operating codes

In the context of this service, Monte Titoli uses the following codes to identify each Issuer or Intermediary and the associated securities accounts.

- **LEI code**

The LEI code is a unique 20-character alphanumeric code based on the ISO 17442 international standard.

The LEI code must be requested by those who have access to the service to the authorised agencies (so-called "LOUs" - Local Operating Units). It is renewed annually and communicated to Monte Titoli upon admission to the service.

- **ABI code**

The ABI code is a numeric five-digit mechanised processing code that enables the separate identification of issuers, intermediaries and the associated securities accounts in the accounting system of Monte Titoli.

Financial intermediaries and issuers must apply for an ABI code from Bank of Italy or Consob and then communicate the code to Monte Titoli on admission to the service.

Non-financial issuers, service providers, EU investment companies and intermediaries that apply to open new securities account must request Monte Titoli to assign an ABI code and a securities account identifier extension.

- **CED Code**

It is a unique code which Monte Titoli assigns to each intermediary to enable operations within the Settlement Service. This code is assigned directly by Monte Titoli when the application for membership is received.

- **BIC Code**

It is a code issued by SWIFT (Society for Worldwide Interbank Financial Telecommunication), consisting of eleven alphanumeric characters.

Service participants acting as Intermediaries must apply for a BIC code from SWIFT and then provide the code to Monte Titoli at the time of admission to the service.

This requirement does not apply to service participants acting solely as issuers, who may request to use a BIC code assigned to Monte Titoli for the purpose of their operational configuration.

2.1 Blocking and reservation of positions in securities on request of the intermediaries

The operations of blocking and reserving positions in securities are processed as settlement restrictions. These features can be used by intermediaries, based on the configuration chosen in the context of the Settlement Service.

The blocking operation enables the intermediary to block the total or partial balance of a specific ISIN registered in their own securities account. This function does not allow to block an amount greater than the available balance. If the intermediary needs to block a quantity exceeding available balance, the block request remains suspended until a sufficient balance is created.

The reservation function allows the Intermediary to reserve a specific amount of financial instruments also exceeding the available balance on the securities account of the Intermediary. If the Intermediary requests to reserve an amount exceeding the balance available in the account, the system performs the reservation for the quantity available and reserves financial instruments gradually credited up to the amount to be reserved.

In order to carry out the operation of blocking or reservation of a position in securities, as well as the increase, the decrease or the cancellation thereof, the Intermediary must send a specific request to Monte Titoli through message 710 or MT 524, indicating the securities account, the ISIN and the relevant quantity to be blocked or reserved and the identification code of the restriction.

On receipt of the request, Monte Titoli performs the operation according to the instructions received, providing confirmation to the originator:

- in real time by sending a set notification message 71N or MT 508 indicating the automatically assigned reference number which unequivocally identifies the operation;
- at the end of the day, by sending the "Daily statement".

It should be noted that a block or the reservation of the positions of the securities account requested by an Intermediary does not in any manner replace an accounting block that the Intermediary is required to place on the internal accounts of its clients according to applicable legislation.

A block or the reservation of the positions in securities render the quantity of securities subject to the restriction unavailable for transfers, settlement and monetary policy.

2.2 Technical blocking of positions in securities by Monte Titoli

Monte Titoli may block (unblock) the positions in the securities registered on the Intermediaries' accounts for specific operations or taking into account particular operational procedures established to manage the financial instruments. The blocking (unblocking) is notified by a specific Service Notice.

Monte Titoli may also perform temporary technical blocking (unblocking) operations based on specific operational needs.

Block (unblock) operations are communicated to intermediaries:

- real time, by sending the notification message 71N or MT 508;
- at the end of the day, by sending the "Daily statement".

A technical block renders the quantity of securities subject to the restriction unavailable for transfers, settlement and monetary policy.

2.3 Operations in the case of blocked and reserved positions in securities

In case of corporate action providing for:

- a) interest payment, partial or total redemption of capital or units;
- b) assignment of rights pertaining to cash distribution;
- c) capital corporate actions of the type "mandatory without option"
- d) massive and selective transfers;

In respect of the blocked or reserved positions, Monte Titoli performs the following actions:

- in case a), automatic removal of the quantity (partial or total) of the securities being redeemed, regardless of the restrictions in place;
- in cases b) and c), crediting of the resulting financial instruments, regardless of the restrictions in place;
- in case d), it does not transfer the related position of the securities.

2.4 Accounting

At the end of each Accounting Day, Monte Titoli sends a "Daily statement" to the participating intermediaries documenting the accounting movements relating to financial instruments, the account balance, the credit balance and any quantity subject to restrictions.

In the case of corporate actions such as increase in share capital, exercise of warrants, electronic public purchase or exchange offers and optional conversion on financial instruments centralised directly with Monte Titoli or managed through links to other CSDs, the daily statement contains separate evidence of the financial instruments for which the instructions allowing the exercise of the option attached to each type of corporate action have been duly sent and the financial instruments for which no instructions were received.

Within the general opening hours of the Service, intermediaries may submit to Monte Titoli by electronic message a "Balance request" for the balance of their securities accounts with or without evidence of quantity subject to restrictions.

Monte Titoli informs the intermediary making the request of the balance existing at the moment of the request, with or without evidence of quantity subject to restrictions, through a "Balance request response" message.

In response to each operational communication received from the intermediaries regarding the operations on centralised financial instruments and for each movement made on their securities accounts, Monte Titoli, where applicable, sends the participants a specific "71N – notification" message, informing them of the outcome of their enquiry.

On a monthly basis, Monte Titoli sends a "Monthly statement" to the intermediaries, showing the available accounting balance and those subject to restrictions.

2.5 Conditions for receipt of structured Service Notices (messages 720, 721, 722, 724)

Intermediaries can give instructions to Monte Titoli for the receipt of structured Service Notices, using the specific form available on the www.montetitoli.it site (download area – contracts and forms). In particular, it is possible to choose:

- the account where the Service Notices are to be received;
- whether to receive the Announcements;
- the language used for the text (Italian or English, where provided by the Issuer);
- whether to receive Announcements exclusively for financial instruments directly managed by Monte Titoli, foreign financial instruments, or for both categories;
- whether to receive all Service Notices/Announcements or only those concerning financial instruments recorded in their accounts.

The appropriately completed forms must be sent by MT-X to Monte Titoli, as an attachment to the General Instructions, with the heading "CONDITIONS FOR RECEIPT OF MSG 720, 721, 722, 724". The Intermediary must specify the technical environment (production/test) for which the service is requested.

3. SUPPORT FOR THE PROCESSING OF CORPORATE TRANSACTIONS

3.1 Participation at Shareholders' meeting

The Issuer awards Monte Titoli the task of disseminating notices of shareholders' meetings to the "System" by means of a message entitled: "Mandate for the issue of communications or certifications for participation in shareholders' meetings".

This Issuer is required to attach the notice of shareholders' meeting and the relevant agenda to the electronic message.

The mandate must be sent to Monte Titoli by the day following that in which the notice of meeting is published.

Monte Titoli informs Intermediaries by means of a Service Notice (Shareholders' meetings)" message of:

- the details of convened meetings;
- deadlines for presentation of communication required to participate;
- the financial instruments that gives entitlement to participate in the meeting;
- in the case of a meeting convened to approve the financial statement, the deadlines for receipt of any applications for conversion of savings shares (where issued) from bearer shares to registered shares;
- the methods of voting;
- any statutory limitations;
- methods of receiving communications/certifications offered by the Issuer
- date of entitlement to vote at the shareholders' meeting (Record Date), where applicable;
- web address of the Issuer, if indicated.

3.2 Dividend payments

3.2.1 Granting of a mandate and Announcements

The Issuer must request to Monte Titoli the assignment of the Internal Code to the dividend payment operation by sending the message "General Mandate". Upon receipt of the request, Monte Titoli assigns to the operation the Internal Code, communicating it to the Issuer via electronic mail (e-mail) within the day after the receipt of the request.

Within one day of the competent body approving a dividend distribution, the Issuer shall sent Monte Titoli a message of "Mandate for payment of dividends, proceeds and redemption of fund (provisional)". The mandate shall contain the Internal Code assigned to the operation and all data, including fiscal data, necessary to Monte Titoli for the correct management of payment operations and to the Intermediaries for the transfer of the relative sums to the beneficiaries.

On the basis of the information communicated by the Issuer, within one day of receiving the message of "Mandate for payment of dividends, proceeds and redemption of fund (provisional)" Monte Titoli sends the Intermediaries, which have made request, the Announcement relative to the dividend payment operation.

Within one day of the competent body approving the distribution of profits and in any case within the third business day preceding the payment date, the Issuer sends Monte Titoli the confirmation/alteration of the provisional data sent previously, by specific message "Mandate for payment of dividends, proceeds and redemption of fund (final)".

The mandate is effective until the dividend entitlement lapses.

In the absence of a mandate Monte Titoli does not perform the operation.

3.2.2 Communication of Paying Bank

The Issuer is required to notify Monte Titoli of the Paying Bank responsible for dividend payments ordered by Monte Titoli towards Intermediaries.

The notification is made by means of a message entitled "Mandate for payment of dividends, proceeds and redemption of fund shares (provisional)".

The appointed Paying Bank, and its Agent Bank in Target 2 System (where relevant), must send the acceptance of the mandate to the Issuer and Monte Titoli by means of a message entitled "Acceptance of mandate by the Paying Institution".

The Paying Bank shall notify Monte Titoli whether it will make the payments through RTGS account or use the DCA account. The notification must be made through CLIMP. Where the Paying Bank intends to use the DCA account, the Issuer will associate its securities account (SAC) to the DCA account of the Paying Bank by entering the references into its operating condition, through CLIMP.

Note that the mandate is effective with reference to all the financial instruments issued by the Issuer involved in the dividend payment operation, including previous operations, commencing from the date of effect of the acceptance.

In the absence of the acceptance of the Paying Bank or the association between the securities account of the Issuer (SAC) and cash account of the Payment Bank, Monte Titoli does not perform the operation.

In such cases, Monte Titoli proceeds to inform:

1. the Issuer;
2. on the date of payment, Intermediaries by means of a Service Notice.

The replacement of the Paying Bank must be completed within the business day preceding payment date and through the appointment by the Issuer of a new Paying Bank that must send its acceptance of the mandate. The new Paying Bank will immediately communicate acceptance of mandate to the Issuer and to Monte Titoli, by completing form MT500 "Acceptance of mandate by the Paying Institution".

In case of replacement, the Issuer will be required to associate its securities account (SAC) to the cash account of the new Paying Bank by entering the references into its operating conditions through CLIMP.

Should the replacement of the Paying Bank be communicated before the due date, but after 4:00 p.m of the preceding day, the payment can be made directly directly

by the new Paying Bank or by Monte Titoli by means of extraordinary procedures upon explicit request of the Issuer. In this case, all accounts transfers will be recorded on (RTGS/DCA) cash accounts indicated by Issuers and Intermediaries on CLIMP platform for "Payments (in Euro) on instruments in foreign currency". In this case the payment information will be provided by the new Paying Bank.

3.2.3 Termination of mandate at the initiative of the Paying Bank

The Paying Bank will be required to communicate to Monte Titoli and the Issuer, also on behalf of the Agent Bank, where relevant, the termination of mandate by means of form MT500R.

The termination request will be referred to the individual Issuer.

The mandate will terminate starting from the effective date specified by the Paying Bank within the above-mentioned communication.

Following termination of such mandate, the Issuer will be required to appoint a new Paying Bank. If the Issuer should not perform the appointment, the Issuer will receive a daily solicitation message:

- through the MT-X platform (MT261 message), starting from the seventh business day prior to the payment date and until the payment date;
- by email, starting from the fifth business day prior to the payment date and until the payment date.

As for mandate which are not subject to a payment date, the solicitation message will be sent starting from the effective date of the revocation, until the appointment of the new Paying Bank.

Absent the new appointment by the Issuer, Monte Titoli will not carry out the transaction. The payment will be performed by Monte Titoli, upon request by the Issuer, by means of extraordinary administrative procedures².

Monte Titoli will inform participants in the system of such circumstances.

The appointment of the new Paying Bank by the Issuer may be performed within the day before the payment date. In particular, the appointment of the new Paying Bank by the Issuer and its approval by the Paying Bank and the Agent Bank, where relevant, will have to be submitted on the same day by 16.00. hours. In the absence of such, Monte Titoli will not carry out the transaction and will inform participants in the system.

3.2.4 System reporting

Once the message of mandate for final payment has been received, with which the Issuer confirms the due approval of the resolution for dividend payment, Monte Titoli informs the participants in the System of the operating instructions for the dividend payment by message entitled "Service Notice 721".

Any changes in the operating instructions will be communicated by sending the "Service Notice 721".

² See par. A.3

The "Service Notice 721" are sent to the participants in the system within one Accounting day subsequent to the receipt of the mandates or of the subsequent changes, except in the case of operational needs of Monte Titoli.

The "Service Notice 721" concerning mandates or changes in mandates that are received by Monte Titoli closer to the payment date (from 3 days prior until one day prior to the payment date) will be sent:

- usually within the same Accounting day, if the mandates or changes arrived within 15:00;
- where possible, within the same Accounting day or the subsequent Accounting day, if the mandates or changes arrived after 15:00.

The "Service Notice 721" contains, where available:

- the Record date, ex-dividend date, payment date and value date;
- the information on the financial instruments subject to the operation (ISIN, Internal Code, cum and ex coupons, and the applicable fiscal regime);
- the information on the mandated Paying Bank;
- information on the Issuer (identification, nationality, address and contacts);
- Issuer's notes, in Italian and English.

Where the record date has not been specified by the Issuer, as such is assumed the Accounting day prior to the payment date. If more than 30 calendar days should elapse between the Record Date and the payment date, the Issuer will be required to contact Monte Titoli ³

The Service Notices are sent to Intermediaries holding accounting positions in the financial instruments subject to the dividend payment operation. The accounting positions are determined on the basis of balances registered in the Intermediaries' securities accounts at the end of the trading day prior to the payment date, as determined from the daily accounts extracts sent to Monte Titoli.

In the case that the accounting position develops subsequent to sending the Service Notice – but still within the Record Date – Monte Titoli will send the Service Notice on the day after the establishment of the position.

The Service Note will be sent using only the following communication methods:

- RNI message;
- native SWIFT message;
- MT-X message;
- e-mail.

Intermediaries can choose to receive Service Notices by more than one communications channel.

³ For securities listed on regulated markets or multilateral trading systems operated by Borsa Italiana SpA the issuer must fix the Record Date for the crediting of the right so that it coincides with the first settlement day following the ex-dividend date scheduled.

When there are balances on any of the relevant accounts, Intermediaries will receive Service notices on their own account.

Alternatively, Intermediaries may request the following:

- always receive the Service notices, regardless of the accounting position in the financial instruments covered by the operation;
- receive the Service notices directly to the account including the balance.

3.2.5 Payment procedures

In order to process automatically the payment, Monte Titoli verifies the association between the securities accounts (SAC) on which is recorded the securities balance and the RTGS or DCA accounts of the Intermediaries. In the event that there is no association between the accounts Monte Titoli manages the payment operations in the way communicated in the Service Notice.

Monte Titoli performs the dividend payment operation by:

- an initial processing on the payment date, on shares for which waiver or return of dividend by Intermediaries, as provided by par. 3.2.6 instructions have not been issued between the date of sending the "Service Notice 721" and the record date;
- subsequent processing after the payment date, of shares which result as "cum dividend" with such processing completed on the working day following receipt of the collection instructions sent by Intermediaries (from the payment date until the working day before the date of lapse in dividend entitlement).

The payment date is generally the trading day after the Record date if the share is listed on the regulated markets or multilateral trading facilities managed by Borsa Italiana, this date coincides with the day after the Record Date.

Under article 27-ter of DPR of the 29th September 1973, n. 600, Monte Titoli settles dividends resolved after 1st July 1998 gross of withholding tax.

The value date applied to payments of dividends is equal to:

- for the first processing, the payment date of the dividend itself, or the subsequent value date set by the issuer;
- for subsequent processing, on the first working day after the receipt of the instructions.

3.2.6 Instructions for collection, waiver or deferment of a dividend Intermediaries

Intermediaries can transmit the following information, by messages entitled "Instruction for dividend collection":

- instructions for waiver, deferment or collection of dividend to be sent between the date of receiving of "Service Notice 721" and the record date which must contain the ISIN of the securities cum dividend;
- instructions for the collection or waiver of the dividend assumed that they must always return the Internal Code assigned by Monte Titoli, to be sent following

the dividend payment date but in any case not later than the last working day before the date the dividend entitlement lapses, as referred in paragraph 3.2.15.

The instructions must be received by Monte Titoli by:

- 18:00 hours of the record date for instructions for waiver or collection of the dividend instructions prior to the first processing.
 - 17:00 hours of the Accounting Day for waiver instructions or collection of the dividend instructions subsequent the first processing.
- Instructions received after this time are not processed by Monte Titoli.

If the date on which the entitlement lapses is a holiday in the TARGET calendar, the instruction to process the last collection must be received by the second business day before the lapse of entitlement.

The instructions indicated above may be amended by Intermediaries within the same deadlines and by the same methods by which they were imparted.

For instructions sent within the record date, Monte Titoli does not perform any account movement until the completion of the process on the payment date itself. The instructions transmitted by the Record date must be sent by the Intermediary in relation to the balance recorded on the regular security.

On that date, as is the case before the accounting day and within the limits of the balances in the Intermediary accounts, Monte Titoli processes:

- the deferment instructions creating its Internal Code, with the number of coupon payment for a quantity of securities equal to the instructions for deferment;
- waiver instructions;
- the collection of the dividend on the quantity of shares for which deferment or waiver instructions have not been sent.

For instructions sent on or after the payment date, Monte Titoli:

- on receipt of the instructions for collection or waiver,
 - a) reduces the quantity of shares identified by the internal code;
 - b) in the event of a lack of funds, Monte Titoli places the instructions in suspension to execute the operation indicated at point a) when the funds become available, or cancels them if the funds do not become available by the end of the Accounting Day in which the instructions were received.
- on the working day after that in which instructions to collect were received, Monte Titoli orders the settlement of the dividend on the shares for which the instructions were processed on the previous day.

The instructions forwarded after the payment date should be sent by the Intermediary in relation to the balance on Internal Code.

3.2.7 Settlement rejection, revocation and cancellation instructions by Paying Banks

Paying Banks and Agent Banks, where relevant, may suspend, under their responsibility, payment operations by means of the 7B4 message. The Issuers and

Intermediaries will be informed in a timely manner of the suspensions which will be carried out:

- on payment date, within 10:00 hours (the so-called payment rejection);
- on payment date, between 11:00 and 11:30 hours (the so-called payment revocation). If, taking into account the methods of operation of the settlement procedure, the payment instructions revoked during such Information Period should be processed, Monte Titoli will reverse the incorrect payment in a timely manner. Payment operations for which the corresponding revocation instructions should arrive after 11.30 will be regularly processed.

The Paying Banks and the Correspondent Banks (where relevant) may cancel, under their responsibility, payment operations already rejected or revoked by means of the 7B4 message automatically setting the payment on "other procedure". The Issuers and Intermediaries will be informed in a timely manner the cancellations which will be carried out until Evidence Ending Date.

Monte Titoli, upon reception of the above-mentioned messages will transmit to the Paying Bank and to its Agent Bank (where relevant), the 7B5 message in order to confirm the receipt of the 7B4 message.

Incorrect or non-processable 7B4 messages will be discarded and notified to the sender by forwarding the same 7B4 message showing the error identified by the system. Such messages will not cause any effect on the payments to which they refer, which will be managed according to customary settlement procedures.

Payment operations rejected or cancelled within the term provided for, will automatically be suspended by Monte Titoli, which will inform the Issuers, the Intermediaries and the Paying Bank in a timely manner by sending the specific notice by means of a "Payment Suspension" 7B1/7B2/7B3 message specifying the motivations.

For the management of the rejected or revoked operations subject to reactivation, see par. 3.2.11.

As for the rejected or revoked operations which are not subject to reactivation, the payment will be performed by the Paying Bank by means of its internal accounts or by Monte Titoli, upon explicit request from the Issuer, through extraordinary administrative procedures⁴.

3.2.8 Processing of provisional and Record date information

To enable the Issuers and Intermediaries involved in the operation to perform the due confirmations, Monte Titoli, upon receipt of the information required for the payment submitted by the Issuer, will send a specific provisional information notice by automatic procedures with the following timing:

- 20 business days before the payment date or upon the receipt of the mandate, if later:
 - to the Issuer, the "7B3 Provisional" message, specifying the quantities of shares on which the dividend is due and the corresponding countervalues;

⁴ See par A.3

- to the Paying Bank and the Agent Bank (where relevant), the "7B1 Provisional" message, specifying the quantities of shares on which the dividend could be paid and the corresponding gross countervalue;
- 2 business days before the original payment date and on payment date at 8:00:
 - to the Issuer, the "7B3 Provisional" message;
 - to the Paying Bank and the Agent Bank (where relevant), the "7B1 Provisional" message";
 - to intermediate beneficiaries and the relevant Correspondent Banks and Agent Banks (where relevant), the "7B2 Provisional" message specifying the amount;
- starting from two days before the payment date and until the business day before the payment date, intraday automatic dispatch Provisional messages 7B3/7B1/7B2, preceded by sending a Service Note for dividends confirmed close to the payment date;
- on the day after the Record Date, the ordinary automatic 7B1/7B2/7B3 message "Entry of balances on the Record Date";
- in the event of any subsequent changes, ordinary automatic dispatch of message 7B2 "Entry of balances on the record date", exclusively to beneficiary Intermediaries and their Agent Banks (where relevant).

It should be underlined that the 7B2 reporting procedure is based on the following:

- the Correspondent Banks operating on behalf of third party beneficiaries will always receive, in their role as Correspondent Banks, the 7B2 notification messages for each third party beneficiary they represent;
- the Correspondent Banks operating on behalf of their own beneficiaries will receive the reporting messages only as the beneficiaries, i.e. a single notification message.

Issuers are required to verify the accuracy of the provisional messages and in case of inconsistencies they shall send Monte Titoli a communication via the electronic message, "Mandate for payment of interest and capital repayment and other communications " containing the instructions for the execution of the payment. The communication must be sent to Monte Titoli by 16.00 of the working day before the payment date.

Regarding the transactions for which not all the settlement information have been submitted, Monte Titoli will not process the provisional messages and will not prearrange the payment operation.

However, in order to facilitate the settlement on the scheduled settlement date at the request of the issuer, Monte Titoli may activate the following extraordinary procedures:

- regarding operations for which the Issuer provided the missing information, in the manner required on the payment date by 10:00 hours, Monte Titoli will activate the urgent payment procedure based on the evidence of the accounting positions of Beneficiary Intermediaries updated as of the Record Date. Payment shall be made in the same Accounting Day;

- regarding operations for which the Issuer provided the missing information in the manner required on the payment date after 10:00 hours, Monte Titoli, based on the evidence of the accounting positions of the Beneficiary intermediaries, updated as of the Record Date, makes the payment the next Accounting Day.

3.2.9 System reporting and processing of provisional and final data in case of termination upon the initiative of the Paying Bank

In the event of the termination of the mandate upon the initiative of the Paying Bank, Monte Titoli will inform the Issuers and the Intermediaries in the System.

Regarding payment operations for which a new Paying Bank has not been appointed and the payment date happens on the same or on a date subsequent to the effective date of the termination, Monte Titoli:

- a) upon receipt of the MT500R termination message will send a Service Notice (which will substitute the previous notice, where relevant), specifying that the payment will be suspended until the appointment of the new Paying Bank by the Issuer;
- b) two days before the payment date, will send the 7B2/7B3 provisional Messages (Payment Suspension) to the Beneficiary intermediaries and their Correspondent Banks, and the Issuers, respectively;
- c) on the payment date, will send the Service Notice for the cancellation of the payment operation and the corresponding information by means of the 7B2/7B3 final cancellation messages, specifying that the payment will be performed following "other procedures".

3.2.10 Settlement

The settlement of the euro-denominated payment operations regarding the dividends for the financial instruments managed directly by Monte Titoli will be performed in RTGS accounts or in DCA accounts of beneficiaries Intermediaries.

Monte Titoli, in the absence of payment revocation, rejection or cancellation instructions provided by the Paying Bank, in compliance with par. 3.2.7, will:

- debit the RTGS account or DCA account of the Paying bank or the Agent Bank (where relevant) responsible for the payment of the dividend on behalf of the Issuer, on which the funds are made available;
- credit the RTGS account or DCA account of the beneficiary Intermediaries.

On the payment date, Monte Titoli will send:

- a) to the Issuer, the message "7B3/Final", showing the amounts being paid;
- b) to the Paying bank, and its Agent Bank (where relevant), message "7B1 Final" providing information on the amounts due to Intermediaries;
- to the Intermediary beneficiary and to the Correspondent Bank, message "7B2-Final" providing information on the method of settlement of amounts due, which will take place in RTGS or DCA accounts or by other methods (also known as reciprocal current accounts).

1. Payments through RTGS account of the Payment Bank

In the case that the Payment Bank uses a RTGS account, the operation will be settled in the TARGET2 system following the "Simultaneous multilateral settlement" procedure (the so-called procedure 5),

Monte Titoli charges the RTGS account of the Payment Bank and accredits RTGS account or DCA of beneficiaries Intermediaries using a specific account opened by Monte Titoli (technical RTGS account), as Ancillary System (AS), at the Payment Module (PM) or DCA account of Monte Titoli.

The adopted settlement system provides for compensation, within the same operation, of the debited / credited amounts referring to the same Paying Bank, that operates in the double roles of Paying Bank and Beneficiary Intermediary.

In particular, Monte Titoli will start the settlement cycle of each Record Date (TARGET calendar), based on the following schedule:

- a) ordinary settlement*
- b) contingency settlement*

a) Ordinary settlement

The Ordinary Settlement stage is activated automatically by Monte Titoli on and not later than 11:00 hours on the Accounting Date (TARGET calendar), of the same payment date, specifying the Information Period:

- from 11:00 to 11:45 hours for the transactions that have zero balance (between matches debit and credit pertaining to the payer);
- from 11:00 to 11.55 hours for the transactions that have balance different from zero (between matches debit and credit pertaining to the payer).

Within the Information Period, the Paying Bank and the Agent Bank (if available) may revoke the payment of the dividend in case of failure to provide cash cover.

The payment operations which, within the envisaged term, are subject to rejection or revocation will automatically be suspended by Monte Titoli, which will inform the Issuers and the Intermediaries in a timely manner.

At the end of the Information Period and within 12.10 hours on the Record Day, in the absence of revocation and/or rejection and/or cancellation instructions from the Paying Banks, Monte Titoli will perform the payment of the operations for which the corresponding cash coverage is verified.

The settled operations are notified to Issuers, Intemediaries and Paying Banks by means of the Final Reporting messages, specifying the actual settled amounts.

In particular, Monte Titoli will send:

- the 7B1 "Payment Notification" message to the Issuer, the Paying Bank and the Agent Bank (where relevant), specifying the final debited amount and detailing the amounts referring to Beneficiary intermediaries;
- the 7B2 "Payment Notification" message:

- to the Beneficiary intermediaries, specifying the credited amount;
- to the Correspondent Banks specifying the credited amount on the account in TARGET2 with reference to its own Intermediaries;
- to Agent Banks (if the Paying Bank does not have a direct account in TARGET2), specifying the amount credited to Correspondent Banks (where relevant);
- the 7B3 "Payment Notification" message to the Issuer specifying the total amount that the Paying Bank will be entitled to receive from the Issuer with the details referring to Beneficiary intermediaries and the corresponding amounts.

All operations not settled during the ordinary settlement stage due to partial or total lack of cash cover are automatically forwarded to the contingency settlement stage on the Accounting Day.

For such operations Monte Titoli will manage the payment "*delay*" by sending, on the payment date, at 12:10:

- the 7B1 suspension message for the Paying Bank and the Agent Bank (where relevant), specifying "Payment Suspension";
- the 7B2 suspension message for the Beneficiary intermediaries and the Correspondent Bank and the Agent Bank (where relevant), specifying "Payment Suspension";
- the 7B3 suspension message for the Issuers.

b) Contingency settlement

All operations not settled during the ordinary settlement stage due to lack of total or partial cash cover will automatically be submitted to the contingency settlement stage on the payment date within 15:00 hours.

All operations for which the cover is verified will be settled and notified to Issuers, Intermediaries and Paying Banks through specific final reports based on the above.

All operations not settled during the contingency settlement stage due to lack of total or partial cash cover will automatically be submitted to the ordinary settlement stage on the following Accounting date.

For such operations Monte Titoli will manage the payment "*delay*" by sending, on the payment date, at 15:00 the suspensions messages to the Issuers, to the Intermediaries and to the Paying Bank through appropriate reporting as previously indicated.

2. Regulation through DCA account of the Payment Bank

In the event that the Payment Bank uses a DCA account, the settlement of the operation is performed by submitting settlement instructions free of delivery (PFOD) to the T2S platform in "hold" and already matched.

At 11:45 am on the payment date Monte Titoli releases regulation Instructions that have not been revoked by the Payment Bank.

Monte Titoli charges the DCA account of the Payment Bank and debits the account RTGS or DCA in T2S of Intermediaries beneficiaries using a special account opened by Monte Titoli (technical account RTGS), as Ancillary System (AS), at the Payment Module (PM) or the DCA technical account of Monte Titoli.

The settlement is performed with the timing referred to in the preceding paragraph.

In case of evident errors declared by the Issuer which require the cancellation of wrong payments and the submittal of the correct settlement, paragraph 3.2.14 ("Payment Reversal") will apply.

All operations for which it was not possible to verify the cover will automatically be submitted on the following settlement days and until the Settlement End Date and if not settled within such date, will automatically be cancelled by Monte Titoli, as specified under par. 3.2.12

All operations settled on a date subsequent to the original payment date will show as the value date the actual date of settlement; such date will be specified on the reporting messages sent to Issuers and Intermediaries, as described in the previous paragraphs.

If payment instructions cannot be processed for technical or administrative reasons, Monte Titoli processes the payment vis-à-vis Intermediaries using contingency procedures and sending standard reporting where possible. In this case all accounting data will be processed, an account of the accounts (RTGS / DCA) indicated by the Issuers and the Intermediaries on the CLIMP platform for the type "Payments (in euro) on securities denominated in foreign currency". Monte Titoli communicates to the Participants the activation of the contingency procedures through Service Disposition.

3.2.11 Settlement of reactivated operations

All operations rejected or revoked as provided for by par. 3.2.7, may be reactivated by the Paying Bank through a specific settlement instruction for a maximum of three times starting from the rejection or revocation date and until the Evidence End Date. Such operations will be included in the first available settlement cycle.

In particular, all operations may be reactivated:

- from the opening of the service to 10:45 hours on the scheduled payment date. In such case, the payment instructions are submitted to the ordinary settlement stage;
- from 12:30 hours to 14:45 hours on the scheduled payment date. In such case, the payment instructions are submitted to the contingency settlement stage on the same day;
- from 15:45 to the closing of the service on the scheduled payment date. In such case, the payment instructions are submitted to the ordinary settlement stage on the following day.

Any reactivations forwarded to the system from 10:45 hours to 12:30 hours and from 14:45 hours to 15:45 hours are rejected and must be re-submitted.

All operations reactivated and not settled due to lack of cover during the first available settlement cycle will be resubmitted for settlement for a maximum of three business days, including the reactivation date, and if they are not settled within such date, they will be cancelled by Monte Titoli, as specified below.

3.2.12 Cancellation of operations

Transactions refused or withdrawn by the Paying Bank referred to in paragraph 3.2.7 which on the Evidence End Date are not canceled by the Paying Bank, are canceled on Monte Titoli's initiative.

Transactions (not refused and not revoked by the Paying Bank) that have not been settled by the Deadline Date are automatically canceled by Monte Titoli.

Transactions canceled by Monte Titoli referred to in this paragraph as well as transactions canceled by the Paying Bank:

- they are notified to Issuers and Intermediaries and to the Paying Banks via the definitive cancellation 7B1 / 7B2 / 7B3 messages, with appropriate information relating to the reason for the cancellation;
- may be settled through the Paying Bank in commercial bank currency or, upon specific request by the Issuer, through Monte Titoli with an extraordinary administrative procedure.⁵

3.2.13 Request to amend of instructions by Intermediaries

If necessary, the Intermediary may send a specific request to Monte Titoli by message "General Instruction" to amend previous dividend payment instructions already processed.

Monte Titoli makes the amendments requested for the processing dates specified by the Intermediary. In particular, in the case of a request for cancellation of a dividend collection, Monte Titoli proceeds on its own initiative:

- a) to debit in the account RTGS or of the DCA account of the concerned Intermediary ~~in~~ according to the CLIMP configuration;
- b) to credit the of the RTGS or DCA account of the concerned Paying Agent according to the CLIMP configuration;
- c) to send to the concerned Intermediary and to the concerned Paying Agent appropriate financial reporting of the carried debits / credits via message 097;
- d) to restore the balance on the Internal Code the quantity of dividend shares subject to reversal onto the account of the concerned Intermediary and the Issuer.

Monte Titoli communicates the outcome of the amendment, to the Intermediary and the Issuer by sending the expected electronic message "msg 71N - Accounting information" as well as through the daily statement.

⁵ See paragraph 1.3

In the case of a request for cancellation of preceding "waiver" instructions, Monte Titoli perform the above rectifications only following authorisation from this Issuer.

3.2.14 Reversal of incorrect payments

In case of an evident and declared payment error, the Issuer will be allowed to submit a specific reversal request to Monte Titoli and together with correct instructions for resubmitting the payment where provided.

Reversal request, and any resubmission of payment must be sent by means of a general assignment message on MT-X.

The reversal may be made by Monte Titoli for payments which have been declared as wrong within the Settlement Ending Date⁶.

Monte Titoli makes the reversal and, where provided, the new payment as follows:

1. On the same date of the assignment reception, for requests received within 10:00 hours a.m.
2. The following day of the assignment reception, for request received after 10:00 hours a.m.

Once received the assignment, Monte Titoli:

- a) will send a service instruction of dividend cancellation (RNI msg 721 and/or SWIFT MT564 CANC), specifying the reason for reversal.
- b) will carry out the reversal operation: (i) debiting the RTGS/DCA accounts of the Intermediaries concerned with the amounts which fall under its competence; (ii) crediting the RTGS/DCA account of the Paying Bank concerned with the total amount; (iii) sending to the Intermediaries concerned and to the Paying Bank the scheduled message 7B2 "Payment Notice" (and/or SWIFT MT566 REVR). In case of lack of funds on the part of one or more Intermediaries, Monte Titoli will not perform the reversal operation for such Intermediaries and will inform the Issuer and Paying Bank.

Where provided, in case of a new payment, Monte Titoli:

- a) will send a new Service Notice⁷ specifying the terms of the new payment transaction
- b) will execute the new payment (i) debiting the total amount on the RTGS account or on the DCA account of the relevant Paying Bank, net of the amounts referring to intermediaries, for which it was not possible to carry out the reversal operation provided under letter b) due to lack of funds; (ii) crediting the RTGS/DCA account of the Intermediaries concerned with the new amount; (iii) sending to the Intermediaries concerned and to the Paying Bank the scheduled message 7B2 "Payment Notice" (and/or SWIFT MT566 REVR).

Please note that all cash movements arranged by Monte Titoli for the reversal operation are performed on the (RTGS/DCA) accounts specified by the

⁶ Particular needs of reversal after this deadline will be evaluated and managed individually.

⁷ In case of a dividend event, the new transaction is notified by message 097 (and/or SWIFT MT568); in the event of coupon payment or capital repayment, the new transaction is notified by message 721 (and/or SWIFT MT564).

Intermediaries concerned and the Paying Bank in CLIMP, for the transaction type "Payments (in Euro) on foreign currency-denominated securities".

3.2.15 Lapse of dividend entitlement

Upon the closure of the dividend payment operation due to the lapse of the entitlement, Monte Titoli, following authorisation from the Issuer, proceeds to discharge the balances still recorded in the accounts of Participants eliminating the Internal Code of reference.

Monte Titoli communicates the result of discharge operation to the Intermediaries and the Issuer by sending:

- message msg. 327 lapsed dividends (only available on MT-X platform);
- expected electronic message msg 71N "Accounting report" and by the daily statement.

3.2.16 Dividend without option

On the basis of the information communicated by the Issuer, Monte Titoli sends to the Intermediaries, who have requested it, two separate Event Announcements: one relating to the payment of the dividend for the part in cash and one relating to the assignment transaction for the part in financial instruments, by the day after the receipt of the message "Duty for payment of dividends, income and repayment of fund shares (forecast)".

The instructions for collection, waiver or deferment of a dividend are deemed valid for payments in cash and financial instruments. No instructions for collection, waiver or postponement of a dividend with respect to payments in cash or financial instruments can be sent separately.

With respect to processing dividend paid in cash, the previous paragraphs shall apply.

The settlement is performed by Monte Titoli in the manner described in paragraph 3.2.10.

The financial instruments resulting from the operation are credited as blocked and made available by Monte Titoli in the early morning of the day of execution.

With respect to dividend operations with payment in financial instruments, Monte Titoli informs the Intermediaries and the Issuer of the outcome of the operation by the set electronic message entitled "msg 71N – Accounting report" and the daily statement.

3.2.17 Optional dividend

3.2.17.1 Granting of a mandate

Within one day of approving the proposed distribution of the optional dividend, the Issuer grants Monte Titoli the mandate for payment through the message "General Mandate". The mandate shall contain all data, including fiscal data, necessary to Monte Titoli for the correct management of payment operations and to the Intermediaries for the transfer of the relative sums to the beneficiaries and all information relative to the performance of the dividend payment operation.

On the basis of the information communicated by the Issuer, within one day of receiving the message of "Mandate for payment of dividends, proceeds and

redemption of fund shares (provisional)", Monte Titoli sends the Intermediaries, which have made request, the Announcement relative to the dividend payment operation.

Within one day of the competent body approving the distribution of the optional dividend and in any case within the third business day preceding the payment date, the Issuer sends Monte Titoli the confirmation/alteration of the provisional data sent previously, by specific message "Mandate for payment of dividends, proceeds and redemption of fund shares (final)".

The mandate is effective until the dividend entitlement lapses.

In the absence of a mandate, Monte Titoli does not perform the operation.

3.2.17.2 Communication of paying bank

The Issuer is required to notify Monte Titoli the Paying Bank responsible for making the cash payment of the dividend to the Intermediaries.

The notification is made by the issuer with the message "General Mandate" at the time the mandate is assigned for the specific corporate event.

The mandate is intended for all the financial instruments issued by the Issuer involved in the dividend payment, even the one previously paid, starting from the effective date of acceptance.

The Paying Bank and its Agent Bank (if any) must send the acceptance of the mandate to the Issuer and to Monte Titoli. The communication to Monte Titoli must be carried out using the message "General Mandate".

For the dividend payment with option the account identified by the Paying Bank in CLIMP for the payment of the "DIVIDEND / PROCEEDS FUNDS" is used.

In the absence of acceptance of the Paying Bank or of the link between the Issuer's securities account (SAC) and the cash account of the Paying Bank, Monte Titoli will not proceed with the transaction. In these circumstances, Monte Titoli will inform:

- the Issuer;
- the Intermediaries by means of Service provision at the intended payment date.

The replacement of the Paying Bank is communicated by the Issuer to Monte Titoli by sending the message "General Mandate".

The newly appointed Paying Bank and its Agent Bank (if any) must send the acceptance of the mandate to the Issuer and to Monte Titoli. The communication to Monte Titoli must be carried out using the message "General Mandate".

The replacement and acceptance of the Paying Bank and of its Agent Bank (if any) must be received by Monte Titoli by 4:00 pm on the business day preceding the payment date.

In the event of replacement, the Issuer will have to associate its securities account (SAC) with the cash account of the new Paying Bank by entering the relative data in its operating data set using CLIMP.

Should the replacement of the Paying Bank be communicated before the due date, but after 4:00 p.m of the preceding day, the payment can be made directly by the new Paying Bank or by Monte Titoli by means of extraordinary procedures upon explicit request of the Issuer. In this case, all accounts transfers will be recorded on (RTGS/DCA) cash accounts indicated by Issuers and Intermediaries on CLIMP platform for "Payments (in Euro) on instruments in foreign currency". In this case the payment information will be provided by the new Paying Bank.

3.2.17.3 Termination of the mandate at the initiative of the Paying Bank

The Paying Bank is required to inform Monte Titoli and the Issuer, also on behalf of the Agent Bank (if any), of the termination of the appointment through the mod. MT500R.

The termination request must be received with reference to each Issuer.

The appointment expires as of the effective date indicated by the Paying Bank in the aforementioned communication, that, in any case, must be received by Monte Titoli at least 3 days before the effective date.

Following the termination of the appointment, the Issuer is required to appoint a new Paying Bank by the day before the payment date.

The communication of the new Paying Bank must be made as described in paragraph 3.2.17.2

If the Issuer provides for the appointment of a new Paying Bank, the same will receive a reminder message daily:

- through the MT-X platform (message MT261), starting from the seventh day before the payment date and up to the payment date;
- via e-mail, starting from the fifth day before the payment date and up to the payment date.

For tasks for which a payment date is not provided, the reminder message will be sent starting from the effective date of the withdrawal until the appointment of the new Paying Bank.

In the absence of the appointment of a new Paying Bank, Monte Titoli will not proceed with the transaction.

In this case the payment can be made by Monte Titoli, upon request of the Issuer, through extraordinary administrative procedures. Monte Titoli informs the Intermediaries in the manner set out in paragraph 3.2.9.

3.2.17.4 System reporting

Based on the information communicated by the Issuer, Monte Titoli sends the Intermediaries the operating instructions, crediting the rights and exercising the option by means of separate Service Notices 722 (or SWIFT 564), containing the same special operation number and a cross reference between the number of the Service Notice for rights crediting and the Service Notice option exercising.

If the transaction provides for the option to postpone the payment of the dividend (in cash), Monte Titoli sends to the Intermediaries a Service notice 721 (or SWIFT MT564) in which are indicated the operating instructions for collection of the deferred dividend.

Any changes in operating instructions shall be communicated by sending subsequent Service Notices.

The Service Notice 722 or 721 messages – where provided – are sent to Intermediaries within one Accounting day following the date of receiving the mandates or subsequent changes in mandates, except in the case of Monte Titoli operational requirements

In the event that the accounting position is established after sending the Service Notice, Monte Titoli will send the Service Notice the day following the establishment of the balance:

- within RD for the right assignment event;
- within RD DT-1 for the exercise of options relating to the dividend with option;
- the day before the limitation date for the payment or deferral of withdrawal of the dividend (in cash).

Notices will be sent using only the following communication methods:

- RNI message;
- native SWIFT message;
- MT-X message;
- e-mail.

Intermediaries can choose to receive Service Notices from more than one communications channel.

When there are balances on any of the relevant accounts, Intermediaries will receive Service notices on their own account.

Alternatively, Intermediaries may request the following:

- always receive the Service notices, regardless of the accounting position in the financial instruments covered by the operation;
- receive the Service notices directly to the account including the balance.

3.2.17.5 Detachment and crediting of rights

On the date indicated in the Service Notice relating to the crediting of rights, Monte Titoli performs the detachment of the rights by referring to the balances recorded in the securities accounts of the Intermediaries at the Record Date.

As a result of the detachment, Monte Titoli credits to the securities account of the Intermediaries, the rights issued represented by a specific ISIN code (so-called interim security) and as a corresponding entry to the Issuer's account.

Monte Titoli communicates the outcome of the event to the Intermediaries and to the Issuer by sending the electronic message "msg 71N - Accounting Information".

If the ISIN codes of the rights are derived from different financial instruments but incorporating the same right of assignment, Monte Titoli merge all the balances on the accounts in a single code.

3.2.17.4 Administration of exercising instructions

Intermediaries must provide the relevant instructions to Monte Titoli by the deadline date (hereinafter the "RDDD") indicated in the Service Notice related to the exercise of rights by means of an electronic message entitled "msg 715 - Instructions for capital operations" (or SWIFT MT565) in relation to the rights issued in respect of the credit operation (the so-called interim security).

Before 17:00 hours on the "RDDD" day, the Intermediaries may:

1. send new exercise instructions;
2. amend, supplement and cancel previously sent exercise instructions;
3. view the exercise instructions sent to Monte Titoli by an electronic message entitled "online instructions enquiry".

The operating instructions can be sent for the following options:

- CASH to receive cash payment;
- SECU to receive payment in securities;
- REFERENCE to postpone the payment of the dividend (in cash) to another date;
- RENUNCIATION to renounce the dividend (in securities and cash).

On receipt of each correct instruction, Monte Titoli will send the sender an electronic message "msg 71N - Accounting report" as confirmation of receipt, indicating the number of instructions sent and number of rights for which instructions has not been sent. Monte Titoli includes the same information in the daily statement.

Please note that the instructions sent by message 715 (or SWIFT MT565) must refer only to the options other than the "default" option communicated by the Issuer.

Instructions sent after the deadline or formally incorrect are rejected by Monte Titoli. The refusal is communicated to the Intermediary with the message 715 (or SWIFT MT567 reject) with the indication of the type of error.

Intermediaries who have exercised the "DEFERRAL" option can subsequently send the collection instructions via the message "Instructions for the collection of dividends" according to the instructions set out in the related Service Notice 721.

For how to send the "Instructions for the collection of dividends", please refer to chapter 3.2.6

3.2.17.5 Instructions for refusal of the cash settlement by the Paying Banks

The Paying Bank and its Agent Bank (if any) may send, under their own responsibility, instructions for refusal of settlement for the cash part of the dividend, by means of a notice to Monte Titoli via e-mail at the address (helpdesk.domesticcustody@lseg.com).

The declaration of refusal of settlement is sent by means of the message "General Mandate" by 10.00 am of the expected payment date.

Monte Titoli informs the Intermediaries concerned that the payment will not be settled in the context of the Central Depository Service via the message 7B1 / 7B2 / 7B3 (or SWIFT MT564 CANC) with the "Cancellation of payment" annotation, with an indication of the reasons for the cancellation.

Payment may be made by the Paying Bank or by Monte Titoli upon explicit request by the Issuer through extraordinary administrative procedures. In this case the accounting movements will be carried out from the accounts (RTGS / DCA) indicated by the participants on the CLIMP platform for the type "Payments (in Euro) on securities denominated in foreign currency".

For the optional dividend transaction, the possibility of suspension and reactivation of the payment is not envisaged.

In case of refusal of settlement, Monte Titoli:

- automatically discharges the rights relating to the cash option and the cancellation of any instructions for the "RETURN" option;
- executes the operation for the securities part.

3.2.17.6 Forecasting and reminder reporting

Monte Titoli produces and sends to the Intermediaries the forecast and reminder messaging specified below:

- from 5 days before "RDDT", on a daily basis, to the change in accounting date, the message "SWIFT MT564 Reminder" to intermediaries who have a balance on the right and who have not yet sent instructions for the full amount or who had sent instructions for a total exceeding the balance on the right. The message shows the information related to the balance (INBA) and the unpaid balance (UNBA) determined on the balance recorded at the end of the operative day prior to the creation of the message, on the right

and the total quantity exercised in the instructions, for all the options provided the transaction;

- from 5 days before "RDDT", on a daily basis, to the accounting date change, the following reports, available on the MT-X platform:
 - "Instructions Forecasting Report", to Intermediaries who sent instructions, with details of the instructions received from Monte Titoli at the time of production of the report;
 - "Report Sollecito Instructions" to Intermediaries who, despite having the balance rights on their respective accounts, have not sent any instruction;
- at the end of the Election Period, then upon reaching the end date for sending the "RDDT" instructions:
 - to intermediaries, the message 7B2P (or Swift MT564 REPE) indicating the instructions given by the Intermediary regarding the options envisaged;
 - to the Issuer, to the Paying Bank and to its Agent Bank through the Target 2 system (if present), the messages 7B1P/7B3P indicating the amount calculated for the cash part.
- on the closing date (DT) the messages 7B1P / 7B3P and 7B2P (or SWIFT MT564 REPE CAPA) with the indication of the quantity or amount relating to the default option communicated by the Issuer and the total number on the other options (including the quantities eventually renounced and / or postponed).

3.2.17.7 Blocking of rights

At the end date for sending the instructions ("RDDT"), subject to verification of the availability of rights in the accounts of the Intermediaries, Monte Titoli blocks the ISIN associated to the rights.

The block is notified to the Intermediaries concerned by means of the message 71N (or SWIFT MT508).

Monte Titoli considers the instructions sent by the intermediaries to be valid up to the balance on the securities account and prepares the cancellation instructions (if any) and then the dispatch instructions. The remaining instructions are processed in order of receipt (FIFO criterion).

3.2.17.8 Execution and settlement of the operation

On the payment date (PD) provided for by the Service Notice, Monte Titoli processes the corporate event as follows:

For the securities part:

- debiting the rights on the accounts of the Intermediaries and crediting the resulting financial instruments;
- by crediting the rights to the Issuer's account and debiting the financial instruments coming from the Issuer's account or the appointed Intermediary, in the case of securities already in circulation.

The financial instruments deriving from the corporate action are immediately available.

For the cash part:

- debiting the cash on the account of the appointed Paying Bank or its Agent Bank (if any);
- crediting the cash to the account of the receiving Intermediary.

The settlement of payment corporate event in Euros takes place in the RTGS accounts or on the DCA accounts of the receiving Intermediaries.

For the dividend payment with option, it is used the account as indicated in CLIMP for the payment "DIVIDEND / PROCEEDS FUNDS ".

The settlement of the cash component is carried out in a single phase. For this payment the so called "Information Period" is not foreseen.

If the payment instructions can not be processed for technical / administrative reasons, Monte Titoli will settle the payments vis-à-vis the receiving Intermediaries using specific contingency procedures and sending standard reporting , where possible. In this case, all accounting entries will be made on the accounts (RTGS / DCA) indicated in CLIMP for the type of corporate event "Payments (in Euro) on securities denominated in foreign currency". Monte Titoli communicates to the Intermediaries the activation of the contingency procedures through Service Disposition

In the case of instructions sent for the "DEFERRAL " option, Monte Titoli will debit the rights and credit the related ISIN Interim to the accounts of the Intermediaries who exercised the option.

In the case of instructions sent for the "WITHDRAWAL" option, it will cancel the rights from the account of the Intermediary.

Monte Titoli communicates at the end of the corporate even processing:

- Issuer:
 - for each option, the debiting of the resulting securities and / or the Interim Code (if required) by means of a 71N message;
 - the debit of the cash through message "7B3 Definitive";
- to the Paying Bank or its Agent Bank through Taregt 2 system (if any): the settlement of the cash debit instructions by means of the message "7B1 Final";
- Intermediary:
 - for each option, the crediting of the resulting securities and / or the Interim Code (if required) by means of a 71N message;

- the charge of the exercised rights, with an indication of the quantity exercised for each option and the corresponding crediting of securities and/or ISIN Interim and/or cash relating to each option, by means of a message 7B2 Final (or SWIFT MT566).

3.2.17.9 Discharge of the rights

Monte Titoli the day after the payment date discharges the rights not exercised by the accounts of the Intermediaries.

3.2.17.10 Reversal of incorrect payments (reversal)

See paragraph 3.2.14

3.2.17.11 Instructions for payment or withdrawal or deferral of the dividend

The Intermediaries may transmit to Monte Titoli the instructions for collection or withdrawal of the dividend previously postponed through the "Instruction for collection of dividends" message.

The instructions must contain the reference information indicated in the 721 Service Arrangement referred to in paragraph 3.2.17.4.

For instructions sent from the payment date onwards, Monte Titoli

- upon receipt of instructions for collection or withdrawal, Monte Titoli:
 - a) reduces the quantity of shares identified by the Internal code;
 - b) in case of lack of the balance, it puts the instructions in suspension and performs the operation of which under a) when the availability is formed or proceed to cancel them if the availability is not made within the end of the Accounting Day of receipt;
- the working day following receipt of the collection instructions, establishes the dividend regulation on the shares for which it has drawn up the instructions the previous day.

Instructions sent from the payment date onwards must be sent with reference to the balance recorded on the Internal Code.

3.2.17.12 Dividend limitation

See chapter 3.2.15

3.3 Payment of proceeds or redemption of funds

3.3.1 Granting of a mandate and Announcement for payment of proceeds or redemption of closed-end funds

Within one day of the date on which the proposal for profit distribution or redemption of shares is adopted by the competent body, not later than the third business day prior to the date of payment, the Issuer grants Monte Titoli a specific payment mandate by sending the set message "Mandate for payment of dividends, proceeds and redemption of fund shares (provisional)". The mandate shall contain all data, including fiscal data, necessary for Monte Titoli to correctly manage the payment operations and to allow the Intermediaries to make the relative payments to the beneficiaries..

On the basis of the data communicated by the Issuer, within one day of receiving the message "Mandate for payment of dividends, proceeds and redemption of fund shares (provisional)", Monte Titoli sends the Intermediaries, which have made request, the Announcement concerning the payment operation for proceeds or redemption of closed-end funds.

Within the third business day prior to the scheduled payment date, the Issuer send to Monte Titoli the confirmation or the variation of the provisional data previously sent through the message "Mandate for payment of dividends, income and redemption fund shares (final)".

In the absence of a mandate, Monte Titoli does not perform the operation.

3.3.2 Communication of Paying Bank

The Issuer is required to notify Monte Titoli of the Paying Bank responsible for making the payments ordered by Monte Titoli as a result of dividend payment or redemption of closed-end fund share operations.

The notification, for each individual financial instrument involved in the payment operation is made by means of a message entitled "Mandate for payment of dividends, proceeds and redemption of fund shares (provisional)".

The appointed Paying Bank, and its Agent Bank (where relevant) must sent the acceptance of mandate, for each financial instrument, to the Issuer and to Monte Titoli by means of a form MT500 entitled "Acceptance of mandate by the Paying Institution".

The Paying Bank shall notify Monte Titoli whether it will make the payments through a RTGS or DCA account. This communication is performed through CLIP platform. Based on the information provided by the Paying Bank, the Issuer shall associate its securities account to the cash account of the Paying Bank by entering the references into their operational data through CLIMP.

In the absence Monte Titoli does not perform the operation.

In the absence of the aforementioned acceptance, Monte Titoli does not perform the operation.

In such cases, Monte Titoli proceeds to inform:

- the Issuer;

- on the date of payment, Intermediaries by means of a Service Notice on the payment date.

The replacement of the Paying Bank must be carried out within the business day before the payment day, through the appointment, by the Issuer, of a new Paying Bank. The new Paying Bank must communicate its acceptance of the assignment to the Issuer and Monte Titoli using form MT500 "Acceptance of the Assignment by the Paying Agent".

In case of replacement, the Issuer will be required to associate its securities account (SAC) to the cash account of the new Paying Bank by entering the references into its operating conditions through CLIMP.

If the substitution of the Paying Bank by the Issuer does not occur in due time, the payment may be made directly by the Paying Bank through its internal accounts or will be made by Monte Titoli, at the explicit request of the Issuer, through extraordinary administrative procedures.⁸

3.3.3 Termination of the assignment at the initiative of the Paying Bank

Paragraph 3.2.3 provisions will apply.

It should also be underlined that the request for the termination of the mandate by the Paying Bank will have to be referred to individual Issuers or individual financial instruments.

3.3.4 System reporting

On receipt of the final message "Mandate for payment of dividends, proceeds and redemption of fund shares", Monte Titoli immediately informs Intermediary participants in the System of the operating instructions for the payment of proceeds or redemption by a message entitled "Service Notice 721".

Any changes in the operating instructions shall be communicated by sending a Service Notice 721.

The Service Notice 721 messages are sent to the Participants within one Accounting day following the date of receiving the mandates or subsequent changes in mandates, except in case of Monte Titoli operational requirements.

Service Notice 721 concerning mandates or changes in mandates received by Monte Titoli close to the payment date (between 3 days prior and one day prior to the payment date) will be sent:

- usually within the same Accounting day, if the mandates or changes arrive within 15:00;
- where possible, within the same Accounting day or the subsequent Accounting day, if the mandates or changes arrive after 15:00.

The Service Notice 721 contains, where available:

- the Record date, ex-dividend date, payment date and value date;

⁸ See paragraph 1.3

- the information on the financial instruments subject to the operation (ISIN, cum and ex coupons, and the applicable fiscal regime);
- the information on the mandated Paying Bank;
- information on the Issuer (identification, nationality, address and contacts);
- Issuer's notes, in Italian and English.

Where the record date has not been specified by the Issuer, as such is assumed the Accounting day prior to the payment date.

Whether more than 30 calendar days pass between the Record Date and the payment date, the Issuer shall contact Monte Titoli⁹

Service Notices are sent to Intermediaries holding accounting positions in the financial instruments subject to the proceeds or share redemption payment operation as determined from the daily accounts extracts sent to Monte Titoli.

In the case that the accounting position develops subsequent to sending the Service Notices information message – but still within the Record Date – Monte Titoli will send the Service Notices on the day after the establishment of the position.

Service Notices will be sent using only the following communication methods:

- RNI message;
- native SWIFT message;
- MT-X message;
- e-mail.

Intermediaries can choose to receive Service Notices by more than one communications channel.

When there are balances on any of the relevant accounts, Intermediaries will receive Service notices on their own account.

Alternatively, Intermediaries may request the following:

- always receive the Service notices, regardless of the accounting position in the financial instruments covered by the operation;
- receive the Service notices directly to the account including the balance.

3.3.5 Processing of payment

In order to process automatically the payment transaction, Monte Titoli verifies the association between securities accounts (SAC) on which is recorded the relevant securities balance and the RTGS or DCA cash account of Intermediaries. In the event that there is no link between the said accounts, Monte Titoli processes the payment as communicated in the Service Notice.

⁹ For securities listed on regulated markets or multilateral trading systems operated by Borsa Italiana SpA the issuer must fix the Record Date for the crediting of the right so that it coincides with the first settlement day following the ex-dividend date scheduled.

Payment operations are performed by Monte Titoli on the payment date on the basis of the balances registered in the accounts of Intermediaries at the record date.

The payment date usually corresponds to the trading day after the Record date. If the security is listed on regulated markets or in multilateral trading systems managed by Borsa Italiana, it coincides with the day following the Record date.

According article 7 of decree 25th of September 2001, n. 351 Monte Titoli settles revenues gross of withholding tax.

3.3.6 Settlement rejection, revocation or cancellation instructions by Paying Banks

The provisions of par. 3.2.7 will apply.

3.3.7 Processing of provisional and Record date information

See paragraph 3.2.8 as far as compatible

3.3.8 System reporting and processing of the provisional and final data in case of termination at the request of the Paying Bank

See paragraph 3.2.9.

3.3.9 Settlement of payments

See paragraph 3.2.10.

3.3.10 Settlement of reactivated operations

See paragraph 3.2.11.

3.3.11 Cancellation of operations

See paragraph 3.2.12.

3.3.12 Reversal of incorrect payments

See paragraph 3.2.14.

3.3.13 Total redemption of shares

In the case of total redemption of shares, once the operation is complete, on the due payment date, Monte Titoli proceeds, to remove the shares from the accounts of participants in the system.

Monte Titoli informs Intermediaries of the operating instructions for total redemption by means of a "Service Notice 721".

3.3.14 Granting of a mandate for payment of proceeds or redemption of open-ended funds

Within one day of the date on which the proposal for profit distribution or redemption of units is adopted, not later than the third business day prior to the date of payment the Issuer grants Monte Titoli a specific payment mandate by sending the set message entitled "Mandate for payment of dividends, proceeds and redemption of fund shares (provisional)". The mandate shall contain all data, including fiscal data, necessary for Monte Titoli to correctly manage the payment operations and to allow the Intermediaries to make the relative payments to the beneficiaries.

On the basis of the data communicated by the Issuer, within one day of receiving the message "Mandate for payment of dividends, proceeds and redemption of fund shares (provisional)", Monte Titoli sends the Intermediaries, which have made request, the Announcement concerning the payment operation for proceeds or redemption of funds.

Within the third business day prior to the scheduled payment date, the Issuer sends to Monte Titoli the confirmation or the variation of the provisional data previously sent through the message "Mandate for payment of dividends, income and redemption fund shares (final)".

In the absence of a Mandate Monte Titoli does not perform the operation.

3.3.15 Communication of paying bank for payment or redemption of open-ended funds

On receipt of the final message "Mandate for payment of dividends, proceeds and redemption of fund shares", Monte Titoli immediately informs Intermediaries participants in the System of the operating instructions for the payment of proceeds or redemption by a message entitled "Service Notice 721".

Any changes in the operating instructions shall be communicated by sending a Service Notice 721.

The Service Notices 721 messages are sent to the Participants within one Accounting day following the date of receiving the mandates or subsequent changes in mandates, except in the case of Monte Titoli operational requirements.

Service Notices 721 concerning mandates or changes in mandates received by Monte Titoli close to the payment date (between 3 days prior and one day prior to the payment date) will be sent:

- usually within the same Accounting day, if the mandates or changes arrive within 15:00;
- where possible, within the same Accounting day or the subsequent Accounting day, if the mandates or changes arrive after 15:00.

The Service Notice 721 contains, where available:

- the Record date, ex-dividend date, payment date and value date;
- the information on the financial instruments subject to the operation (ISIN, cum and ex coupons, and the applicable fiscal regime);

- the information on the mandated Paying Bank;
- information on the Issuer (identification, nationality, address and contacts);
- Issuer's notes, in Italian and English.

Where the record date has not been specified by the Issuer, as such is assumed the Accounting day prior to the payment date.

Whether more than 30 calendar days pass between the Record Date and the date of payment, the Issuer is required to contact Monte Titoli¹⁰

Service Notices are sent to Intermediaries holding accounting positions in the financial instruments subject to the proceeds or share redemption payment operation as determined from the daily accounts extracts sent to Monte Titoli.

In the case that the accounting position develops subsequent to sending the Service Notices information message – but still within the Record Date – Monte Titoli will send the Service Notices on the day after the establishment of the position.

Service Notices will be sent using only the following communication channels:

- RNI message;
- native SWIFT message;
- MT-X message;
- e-mail.

Intermediaries can choose to receive Service Notices from more than one communications channel.

When there are balances on any of the relevant accounts, Intermediaries will receive Service notices on their own account.

Alternatively, Intermediaries may request the following:

- always receive the Service notices, regardless of the accounting position in the financial instruments covered by the operation;
- receive the Service notices directly to the account including the balance.

¹⁰ For securities listed on regulated markets or multilateral trading systems operated by Borsa Italiana SpA the issuer must fix the Record Date for the crediting of the right so that it coincides with the first settlement day following the ex-dividend date scheduled.

- 3.4 Payment of interest and capital redemption

3.4.1 Granting the mandate

The Issuer provides Monte Titoli with specific mandates for payment of interest or capital redemption by sending the message "Mandate for payment of interest/capital redemption and communication of variable data". The mandate shall contain all data, including fiscal data, necessary to Monte Titoli for correct management of the operations of interest payments, capital redemption for debt instruments, as well as X-TRM Services, and to the Intermediaries for making the relative payments to the beneficiaries.

In absence of a mandate, Monte Titoli does not perform the operation.

3.4.2 Communication of variable data

The Issuer is obliged to notify Monte Titoli all variable data within the deadlines specified below.

- a) by the 4th trading day before the date on which interest accrual starts or, if otherwise provided by the regulation of the financial instrument, by 16.00 on the day before the payment date:
 - the period rate of the next coupon due. Monte Titoli must be promptly informed of rates calculated the day after the date on which they are calculated, and in any case not later than 16:00 CET on the day before the relevant date of payment. Where the communication of rates is missing or late, Monte Titoli does not execute the interest payment. Where on the same payment date the redemption occurs, Monte Titoli will execute only this payment. The Issuer will be responsible for any interests payment due to;
 - the established calculation convention;
 - the annual rate of the coupon, if requested;
 - the exchange rate, if applicable;
- b) by the 4th trading day before the date on which interest accrual starts or, if otherwise provided by the regulation of the financial instrument, by the 3rd day before the payment date:
 - any premature redemption of own debt securities;
 - for asset-backed securities (ABS) in particular, the change in the value of the Pool Factor and any change in the maturity date of the security.

Communications of the data indicated above are sent to the Monte Titoli by message "Mandate for payment of interest/capital redemption and communication of variable data".

3.4.3 Communication of Paying Bank

The Issuer is required to notify Monte Titoli of the Paying Bank responsible for payments ordered by Monte Titoli concerning operations for payment of interest and capital redemption.

The Issuer grants the mandate to the Paying Bank at the moment of requesting admission of each financial instrument to the System.

The Issuer communicates the above information to Monte Titoli by means of a message entitled "Debt Securities Paying Bank".

Issuers of bonds with an issuance amount lower than 50.000.000 euro for which they have requested to use the operative procedures "Easy Issuance Suite" shall communicate to Monte Titoli the Paying Bank appointed to carry out payments through "General Mandate" via MT-X.

The mandated Paying Bank, and its Agent Bank (where relevant), must send the acceptance – for each financial instrument – to the Issuer and to Monte Titoli by means of message MT500 "Acceptance of mandate by the Paying Institution".

The Paying Bank shall notify Monte Titoli whether it will make the payments through a RTGS or DCA account. This communication is performed through CLIMP platform. If the Paying Bank intends to use the DCA account, the Issuer must associate its securities account (SAC) with the DCA account of the Paying Bank by entering the relevant coordinates in its operating data, via CLIMP.

In the absence of the aforementioned acceptance or association between securities and cash accounts, Monte Titoli does not perform the operations on the due dates foreseen.

In such cases, Monte Titoli shall inform the Issuer and the Intermediaries participating in the System by means of a Service Notice sent on the payment date.

Issuers of bonds with an issuance amount lower than 50.000.000 euro for which they have requested to use the operative procedures "Easy Issuance Suite" shall communicate to Monte Titoli the change of the Paying Bank appointed to carry out payments through "General Mandate" via MT-X.

Substitution of the Issuer's mandate to the Paying Bank must be completed within the day before payment date and is possible by means of the Issuer appointing of a new Paying Bank. The new Paying Bank must communicate its acceptance of the mandate to the Issuer and Monte Titoli, by means of form MT500 "Acceptance of mandate by the Paying Institution".

In case of substitution, the Issuer will be required to associate its securities account (SAC) to the cash account of the new Paying Bank by entering the references into its operating conditions through CLIMP.

Should the substitution of the Paying Bank by the Issuer not be completed on time, the payment may be carried out directly by the Paying Bank by means of its internal accounts, or will be carried out by Monte Titoli, as requested by the Issuer, by means of extraordinary administrative procedures¹¹.

3.4.4 Termination of the assignment at the initiative of the Paying Bank

See par. 3.2.3

It should also be underlined that:

¹¹ See paragraph 1.3

- the assignment termination request by the Paying Bank will have to be submitted with a clear reference to the individual Issuer or financial instrument;
- upon receipt of the MT500R termination message, Monte Titoli will send the corresponding Service Notice specifying the suspension of payment. In case of a reimbursement Monte Titoli will provide a notice regarding the reduction of balances and the definition of the new minimum denomination that will be made by Monte Titoli.

3.4.5 System reporting

Monte Titoli informs the Intermediaries participating in the System of the operating instructions necessary for the operations of interest payments or capital redemption by means of individual Service Notice 721.

Any changes in the operating instructions will be communicated by sending Service Notice 721.

Service Notice 721 are sent 20 working days prior to the due payment date, where Monte Titoli has already received the payment information. In the absence of such information, Monte Titoli will send the Service Notices within one Accounting day following receipt of the payment information, except in the case of operational needs of Monte Titoli.

Service Notice 721 concerning awards of mandates or subsequent changes in mandates received by Monte Titoli close to the payment date (from 3 days prior to the day preceding the payment date) will be sent:

- usually within the same Accounting day, if the mandates or changes arrived within 15:00;
- where possible, within the same Accounting day or the subsequent Accounting day, if the mandates or changes arrived after 15:00.

The Service Notice 721 contains, where available:

- the Record date, ex-dividend date, payment date and value date;
- the information on the financial instruments subject to the operation (ISIN, cum and ex coupons, and the applicable fiscal regime);
- the information on the mandated Paying Bank;
- information on the Issuer (identification, nationality, address and contacts);
- Issuer's notes, in Italian and English.

Where the record date has not been specified by the Issuer, as such is assumed the Accounting day prior to the payment date.

Whether more than 30 calendar days pass between the Record Date and the date of payment, the Issuer shall contact Monte Titoli¹²

Service Notices are sent to Intermediaries holding accounting positions in the financial instruments subject to the operations of dividend payments or capital redemption. The accounting positions are determined on the basis of balances registered in the Intermediaries' securities accounts at the end of the trading day prior to the payment date, as determined from the daily accounts extracts sent to Monte Titoli.

In the case that the accounting position develops subsequent to sending the Service Notices – but still within the Record date – Monte Titoli will send the Service Notices again on the day after establishment of the position.

Service Notices will be sent using only the following communication methods:

- RNI message;
- native SWIFT message;
- MT-X message;
- e-mail.

Intermediaries can choose to receive Service Notices by more than one communications channel.

When there are balances on any of the relevant accounts, Intermediaries will receive Service notices on their own account.

Alternatively, Intermediaries may request the following:

- always receive the Service notices, regardless of the accounting position in the financial instruments covered by the operation;
- receive the Service notices directly to the account including the balance.

In addition, Monte Titoli immediately informs Intermediaries, by means of a Service Notice 721 message, of premature redemption and pool factor variation operations for centralised financial instruments on the basis of communications received by the Issuers.

3.4.6 Processing of payment

In order to process automatically the payment transaction, Monte Titoli verifies the association between securities accounts (SAC) on which is recorded the relevant securities balance and the RTGS or DCA cash account of Intermediaries. In the event that there is no link between the said accounts, Monte Titoli processes the payment as communicated in the Service Notice.

¹² For securities listed on regulated markets or multilateral trading systems operated by Borsa Italiana SpA the issuer must fix the Record Date for the crediting of the right so that it coincides with the first settlement day following the ex-dividend date scheduled.

Monte Titoli conducts separate operations for interest payments and capital reimbursement having the same maturity date, giving them two distinct special operation numbers.

At the respective maturity of each financial instrument, Monte Titoli authorises the Paying Banks and the Agent Banks (where relevant) indicated by the Issuer to carry out the interest payments and capital redemption operations, on the basis of the balances registered in the Intermediaries' securities accounts, and under the conditions set out in the prospectus or in the terms and conditions or the regulations for each instrument.

The settlement of the payment is performed as described in paragraph 3.2.10.

3.4.7 Reset of the of the nominal value of bonds

On the payment date, in cases of redemption of bond instruments, Monte Titoli:

- a) if provision is for total redemption, resets the securities account of the Intermediary to zero for the entire nominal value;
- b) in the event of partial redemption with a reduction in nominal value, reduces the balance in the Intermediaries' accounts by the nominal value redeemed, at the same time updating the new minimum denomination to the value obtained as a result of the reduction.

After the date of partial redemption, operations with Monte Titoli are understood to refer to multiples of the new minimum denomination.

Monte Titoli resets the entire nominal value referred to in point a) or the partial reduction of the nominal value referred to in point b) regardless the settlement of the corresponding cash payments.

3.4.8 Settlement rejection, revocation and cancellation instructions by Paying Banks

See par 3.2.7.

3.4.8 Provisional data processing

See par 3.2.8.

3.4.9 System reporting and provisional and final data processing in the event of a termination upon the initiative of the Paying Bank

See par 3.2.9.

3.4.10 Settlement

As far as compatible, par. 3.2.10 shall apply.

3.4.11 Payment on securities managed directly by Monte Titoli through a foreign Paying Bank

Monte Titoli makes interest and capital redemption payments through the TARGET2/T2S systems on the accounts indicated in CLIMP for the transaction type "Payments (in Euro) on foreign currency-denominated securities" for securities directly managed by Monte Titoli issued by Issuers that use the services of a foreign Paying Bank that is not a member of the Monte Titoli System.

Once the information necessary for payment for the assets has been received from the Issuer via MT-X, Monte Titoli sends specific provisional report by an automated procedure with the following timing:

Beginning from 20 working days before the date of payment:

- the Issuer is sent message "7B3/Provisional", showing the provisional amount of the payment;

2 working days before the date of payment:

- the Issuer is sent message "7B3 Provisional"
- the beneficiary Intermediaries and the respective Correspondent Bank (where relevant), is sent message "7B2-Provisional" indicating the relevant amount.

At the Record Date and in the event of any subsequent changes:

- ordinary automatic dispatch of message 7B2 "Entry of balances on the record date" exclusively to beneficiary Intermediaries and to their Agent Banks (where relevant);

Note also that in relation to financial instruments for which the Issuer is required to provide Monte Titoli with information necessary for payments, as indicated at paragraph 3.4.1, the production of the provisional reports above is subject to communication of the said information.

Issuers are required to verify the accuracy of the provisional messages and in case of inconsistencies they shall send Monte Titoli a communication via the electronic message, "Mandate for payment of interest/capital redemption and communication of variable data" containing the instructions for the execution of the payment on the due payment date. The communication must be sent to Monte Titoli by 16:00 on the prior Accounting day.

The funds must be sent by the Paying Bank to Monte Titoli's RTGS account (BIC MOTIITMMXXX).

The funds must necessarily be made available in the said account not later than 14:00 CET on the date of payment.

If the funds are not made available by the 14:00 CET, Monte Titoli postpones the operation without the beneficiaries having any right of compensation for the not receiving the funds on the scheduled date for payment. Monte Titoli manages the delay in the payment by sending:

- message "7B2 suspension" to the beneficiary Intermediaries, bearing the annotation "Suspension of payment"

Monte Titoli keeps accounting records of payment to be processed until the actual receipt of the funds.

Payments are performed on the RTGS or DCA accounts of the beneficiary Intermediaries, according to CLIMP configurations, for the type "Payments (in Euro) on foreign currency-denominated securities".

For payments placed in suspension, on receipt of the funds from the Paying Bank, Monte Titoli proceeds to transfer the funds to the Intermediary beneficiaries on the date on which the funds actually become available, if this date is compatible with its calendar, and taking account of the T2 / T2S cut-offs. Where this is not possible, the funds are transferred on the next working day.

The value date corresponds to the date of payment.

In the event of communication from the Paying Bank stating that the amounts to be paid will no longer be credited, or where its own operating exigencies so require, Monte Titoli proceeds to cancel the payment event, notifying the beneficiary Intermediary and the Agent Bank (where relevant) by message "7B2 Payment cancellation report".

3.4.12 Payment on securities managed directly by Monte Titoli that adopt the "Modified Following Business Day" convention¹³.

Monte Titoli orders payment of funds relating to accrued interest and capital redemption on financial instruments that adopt the Modified Following Business Day convention through the TARGET2 system according to the procedures specified below.

Monte Titoli notifies Intermediaries by a specific Service Notice regarding the each payment event with an antedated value date.

In particular, Monte Titoli sends messages "7B3 Provisional", "7B1 Provisional" to the Issuer and the Paying Bank, and to the Agent Bank (where relevant) respectively, according to the following timeframes:

- 20 working days before the date of payment;
- 2 working days before the date of payment.

Issuers are required to verify the accuracy of the provisional messages and in case of inconsistencies they shall send Monte Titoli a communication via the electronic message, "Mandate for payment of interest/capital redemption and communication of variable data" containing the instructions for the execution of the payment. The communication must be sent to Monte Titoli by 16:00 on the prior Accounting day on the due payment date.

¹³ The settlement of funds referring to interest and capital reimbursement on financial instruments which provide for the "Modified Previous Business Day" convention will be carried out following the same procedures provided for in the "Modified Following Business Day" convention.

- within 8:00 hours on the effective payment date, Monte Titoli sends provisional message "7B1/7B3 to the Paying Bank and the Agent Bank (where relevant) and the Issuer, respectively;
- the Paying Bank and the Agent Bank (where relevant) may send rejection and revocation instructions regarding payment operations in compliance with par. 3.2.7;
- around 12:00 hours on the effective payment date, Monte Titoli will send the 7B1/7B2/7B3 messages of the balances indicating the "record time", on which the payment will be based and will block securities balance only for partial or total reimbursement operations;
- at 15:00 hours on the effective payment date Monte Titoli will start the settlement cycle of such operations in the contingency stage, after verification of the availability of funds on RTGS or DCA account of the Paying Bank or the Agent Bank (where relevant);
- if the settlement is successfully complete, Monte Titoli will send the 7B1/7B2/7B3 final payment messages;
- If the funds are not made available by 15:00 hours CET on the effective payment date, the operation will be automatically resubmitted to settlement on the following days, until the Settlement Ending Date.

Monte Titoli postpones the transaction without the possibility of recourse of the currency by the beneficiaries of the amounts not received on the date of the prepayment. Monte Titoli manages the payment "delay" by sending:

- a) message "7B1 suspension" to the Paying Bank, with the annotation "Suspension of payment"
 - b) message "7B2 suspension" to the beneficiary Intermediaries, bearing the annotation "Suspension of payment"
- it should be underlined that upon closure of the payment date, following the forwarding of the daily statement by Monte Titoli, regarding reimbursement operations, unblocking of the securities balance and the updating of the current security denomination will be performed.

As for the cancellation of operations by the Paying Bank or by Monte Titoli, the provisions of par. 3.2.12 shall apply.

If payment instructions cannot be processed for technical or administrative reasons, Monte Titoli processes the payment vis-à-vis Intermediaries using contingency procedures and sending standard reporting where possible. In this case all accounting data will be processed, an account of the accounts (RTGS / DCA) indicated by the participants on the CLIMP platform for the type "Payments (in euro) on securities denominated in foreign currency". Monte Titoli communicates to the Participants the activation of the contingency procedures through Service Disposition.

3.4.13 Settlement of reactivated operations

See par 3.2.11.

3.4.14 Cancellation of operations

See par 3.2.12.

3.4.15 Reversal of incorrect payments

See par. 3.2.14.

3.4.16 Payment on securities managed directly by Monte Titoli issued in foreign currency other than the Euro

Monte Titoli pays interest and capital reimbursements of securities managed directly by Monte Titoli and issued in foreign currency other than the Euro to beneficiary Intermediaries through the Paying Bank mandated by the Issuer as provided under paragraph 3.4.3.

Monte Titoli, using automated procedures, sends specific reports of a provisional nature by the following procedures:

20 working days before the date of payment respectively:

- to the Paying Agent, by message 7B1 Provisional with an indicative forecast of the amounts to be paid to the Intermediary beneficiaries
- to the Issuer, by message 7B3 Provisional, showing the detail of the amounts per Intermediary;

2 working days before the payment date:

- to the Paying Bank, the message "7B1 Provisional";
- to the Issuer, the message "7B3 Provisional";
- to the beneficiary Intermediaries and to the Agent Banks (where relevant), the message "7B2 Provisional".

Issuers are required to verify the accuracy of the provisional messages and in case of inconsistencies they shall send Monte Titoli a new communication via the electronic message, "Mandate for payment of interest/capital redemption and communication of variable data" containing the instructions for the execution of the payment. The communication must be sent to Monte Titoli by 16:00 of the second business day prior to the scheduled payment date (PD-2).

On the day before the date of payment (PD-1), (at approximately 13:30), Monte Titoli sends message 7B1 "Provision of Fund" to the Paying Bank, with an indicative forecast of the details of amounts to be paid to the account held in favour of the beneficiary Intermediaries and the 7B2 message referring to the recording of balances, to Beneficiary intermediaries.

The premature production of the payment orders in response to the change of the "accounting data" involves the need to place a block on the availability of the Intermediaries' balances for the financial instrument being paid until the final phase of interest and capital redemption payments have been processed.

On the date of payment, Monte Titoli sends:

- message 7B1 Final to the Paying Bank with the final amounts to be paid to the Intermediaries on their own account or on those Agent Bank (where relevant);
- message 7B2 Final to the Intermediaries and the Agent Banks (where relevant), with the final amount that will be credited to them
- message 7B3 Final to the Issuer, showing the detail of the amounts per Intermediary.

At the established value date, the mandated Paying Bank will proceed to credit the amounts due to each Intermediary directly to the accounts in foreign currencies that the latter have opened with their respective foreign Agent Bank (where relevant), as specified in message "7B1 final".

Note also that also in relation to financial instruments for which the Issuer is required to provide Monte Titoli with the information necessary for payment indicated at paragraph 3.4.1, the production of the above provisional report is subject to the provision of the said information.

3.4.17 Payment of interests or capital redemption of bonds with an issuance amount lower than 50.000.000 euro (pre-funding method – Easy Issuance Suite) and ABS or bonds issuers using a Paying Bank not having a securities account at the CSD.

Monte Titoli shall communicate to the issuer the amount of funds necessary to carry out payments of interests and operations of capital redemption:

- Two days prior the payment date through provisional message;
- By 10 on the day of the payment date through final payment message.

The issuer shall communicate to the Paying Bank the amount to be credited on the set payment date on Monte Titoli TARGET 2 account.

Funds shall be credited on Monte Titoli TARGET 2 account by 14:00 on the payment date.

Monte Titoli shall verify the credit of funds on its own TARGET 2 account and provide to credit intermediaries accounts. In the absence of funds, Monte Titoli does not carry out the payment, informing issuer and intermediaries through delay messages 7B3/2.

Monte Titoli shall automatically reactivate the payment procedure within two days following the payment date (PD). Should funds not be available by 14:00 on the second day following the payment date (PD+2), Monte Titoli shall cancel the payment operation, informing issuer and intermediaries through cancellation messages 7B3/2.

The credit of funds is carried out in T2 or T2S based on the choice of the beneficiary intermediaries.

Once the payment is completed, Monte Titoli shall send the final report to the issuer (7B3) and to the beneficiary intermediaries (7B2).

The cancellation of erroneous payments is carried out by crediting the erroneous amount on the Paying Bank account using, if provided, funds already available on Monte Titoli TARGET 2 account.

3.5 Paid increase in share capital

3.5.1 Granting of a mandate

The Issuer grants a mandate to Monte Titoli for a paid increase in share capital by the end of the Accounting Day prior to the last cum trading day, by means of specific messages entitled "Mandate for capital increase"¹⁴. The mandate shall set out all the information necessary for Monte Titoli to duly manage the operation, specifically:

- the terms and methods of the operation;
- the Collecting Bank of funds mandated to receive the credits, with an indication of the relevant account RTGS or of the DCA account;
- method of carrying out instructions (account or rolling, when provided by the market);
- method of funds settlement for subscriptions made by the Collecting Bank (gross with debit of the funds corresponding to the Collecting Bank or net with clearing of the funds);
- method of funds settlement for subscriptions made by the Issuer, using their own Intermediary accounts (gross with debit of the funds corresponding to the Collecting Bank or net without clearing of the funds);
- the authorisation for Monte Titoli to issue the financial instruments originating from the operation, in the absence of a specific movement of funds signed:
 - by the Issuer itself, regarding its own accounts in its capacity as Intermediary and/or
 - by the Collecting Bank, which finds itself acting as signatory in its own account and/or in a third party account and settled by settlement procedure "5" ("Simultaneous multilateral settlement");
- for securities traded on Borsa Italiana's markets, in those cases where the transaction has been classified by the market as a "Capital increase with significant dilutive effects", the authorization of Monte Titoli to issue the financial instruments originating from the operation on each day of the offering period, starting from the moment at which the option rights are entered into the securities account (Capital increase using the Rolling method);
- the ISIN codes attributed by the Bank of Italy to the option right(s), and the resulting financial instrument(s), if newly-issued or with pro-rata entitlement. In the event of capital increase launched by issuers listed on regulated markets, issuers shall request to Bank of Italy to assign two different ISIN codes for the separate management of pre-emptive rights, to be used respectively during the exercise period and the offer phase on the market of unpurchased option rights.

3.5.2 Acceptance of a mandate by the Collecting Bank

The Issuer is required to notify Monte Titoli of the Collecting Bank appointed to receive the funds ordered by Monte Titoli towards the Issuer.

The notification is made by means of the message entitled "Mandate for capital increase".

The Collecting Bank's participation in the CAMT/RNI service is mandatory.

¹⁴ For securities listed on regulated markets or multilateral trading systems operated by Borsa Italiana SpA the issuer must fix the Record Date for the crediting of the right so that it coincides with the first settlement day following the ex-dividend date scheduled.

The appointed Collecting Bank, and its Agent Bank (where relevant), must send its acceptance to the mandating Issuer and to Monte Titoli by means of a form MT 500 entitled "Acceptance of mandate by the Paying Institution" by 10:00 of the last day of cum trading of the share.

Collecting Bank informs Monte Titoli whether it intends to receive payments through RTGS account or the DCA account. Communication is accomplished through CLIMP platform. According to the guidance provided by the Collecting Bank, the Issuer will associate its securities account to the cash account of the Collecting Bank entering the coordinates into their operational data, through CLIMP.

In the absence of the aforementioned acceptance or the assignment between the account of the Issuer and the Collecting Bank, the mandate is not sent to Monte Titoli and, consequently, the operation cannot be performed.

In the event of a capital increase handled using the Account method, the Collecting Bank can be replaced by the working day preceding the payment date and is possible when the Issuer appoints a new Collecting Bank. The latter shall promptly notify the Issuer and Monte Titoli of the acceptance of the mandate by means of a form MT500 entitled "Acceptance of mandate by the Paying Institution".

In the event of substitution of the Collecting Bank, should the linking Collecting Bank intend to make the payments in T2S, the Issuer shall see to associating its own securities account (SAC) to the cash account of the new Collecting Bank, entering the corresponding bank coordinates into its own operational data, through CLIMP.

In the event of a capital increase handled using the Rolling method, the Collecting Bank may not be substituted during the capital increase transaction.

3.5.3 System reporting

Monte Titoli informs the Intermediaries participating in the System of the operating instructions to credit and exercise rights through separate Service notices, stating the same special operation number and cross reference between the Service notice number to credit rights and the Service notice number related to the exercise conditions.

In the case of capital increase launched by issuers listed on regulated markets, Monte Titoli informs the intermediaries of the separate ISIN codes to be used for the separate management of pre-emptive rights during the exercise period and the offer phase on the market of unpurchased option rights.

Within this context, Monte Titoli shall specify the use of either the Account or the Rolling for capital increase transactions, by including a descriptive note to such effect.

Any changes to the operating instructions will be communicated through additional Service notices.

Service notices will be sent using only the following communication channels:

- RNI message;
- native Swift message;
- MT-X message;

- e-mail.

Intermediaries can choose to receive Service notices by more than one communication channel.

When there are balances on any of the relevant accounts, Intermediaries will receive Service notices on their own account.

Alternatively, Intermediaries may request the following:

- always receive the Service notices, regardless of the accounting position in the financial instruments covered by the operation;
- receive the Service notices directly to the account including the balance.

3.5.4 Detachment and crediting of rights

On the date indicated in the Service Notice related to the crediting of rights, Monte Titoli detaches the rights on the basis of the balances of financial instruments *cum right* registered in the securities accounts of Intermediaries at the accounting close on the preceding working day.

Detachment is usually the first operation of the accounting day in which instruments are settled ex right.

Following the detachment, Monte Titoli credits the option (or allotment) rights issued, represented by a specific ISIN code (the so-called interim security) to the securities account of the Intermediaries with a counter-entry in the Issuer's account.

Monte Titoli informs the Intermediaries and the Issuer of the outcome of the operation by the set electronic message entitled "msg 71N - Accounting report".

In the event that the ISIN codes of the rights correspond to financial instruments that are different but which incorporate the same option (or allotment right), Monte Titoli orders that all the balances present in their accounts be unified in a single code. The latter code will be used by Intermediaries to send instructions to Monte Titoli and for the relevant settlement instructions.

3.5.5 Administration of exercising instructions - capital increases using Account method

Intermediaries must provide the relevant instructions to Monte Titoli by the deadline date (hereinafter the "DD") indicated in the Service Notice related to the exercise of rights by means of an electronic message entitled "msg 715 - Instructions for capital operations" in relation to the rights issued in respect of the credit operation (the so-called interim security).

Before 14:00 hours on the "DD" day, the Intermediaries may:

- send new exercise instructions;
- amend, supplement and cancel previously sent exercise instructions;
- view the exercise instructions sent to Monte Titoli by an electronic message entitled "online instructions enquiry".

On receipt of each correct instruction, Monte Titoli will send the sender an electronic message "msg 71N – Accounting report" as confirmation of receipt.

The message will contain the original CRO of the relevant electronic message "Instructions for capital operations".

Monte Titoli records the balances of the rights for which the instructions were duly received and those for which no instructions were received in the daily statement, separately.

Note that if no instructions are received from the Intermediary, Monte Titoli does not perform any operation.

3.5.6 Administration of exercising instructions – capital increases using Rolling method

Intermediaries must provide the instructions related to the rights originating from their securities balance (the so called interim security) for which the Rolling exercise is requested, by 13:30 of each day of the offering period (hereinafter the "Rolling-DD") indicated in the Service Notice, to Monte Titoli by means of an electronic message entitled "msg 715 – Instructions for capital transactions".

Within this context, the Intermediaries may:

- send new Rolling exercise instructions;
- amend, supplement and cancel exercise Rolling instructions previously sent to Monte Titoli but yet to be processed;
- view the exercise instructions sent to Monte Titoli by an electronic message entitled "online instructions enquiry".

On receipt of each correct instruction, Monte Titoli will send to the sender an electronic message "msg 71N – Accounting report" as confirmation of receipt (with which it is given confirmation of acceptance or rejection for errors or exceeded cut-off). The message will contain the original CRO of the relevant electronic message "msg 715 - Instructions for capital transactions".

In the days prior to DD, between 13:30 and 15:00 hours it is not possible to send exercise Rolling instructions; afterwards between 15:00 and 18:00 hours it is possible to send again exercise Rolling instructions that will be processed by Monte Titoli in the subsequent DD-Rolling.

Also, before 18.00 each day of the offering period previous the deadline (DD-1) indicated in the Service Notice related to the exercise of the rights, and by 13.30 DD hours, Intermediaries may communicate to Monte Titoli exercise instructions of the rights for which they require the forward exercise.

Exercise instructions of forward rights are performed by means of the electronic message "msg 715 – Instructions for capital transactions" indicating the specific code (CORP) for the collecting of the instructions on the rights to be processed as forward, indicated in Monte Titoli Service Notice related to the exercise of the rights.

With regard to the exercise of the forward rights, Intermediaries each day of the offer period may:

- send new forward exercise instructions;
- change, complete and cancel forward exercise instructions already sent;
- display the forward exercise instructions sent to Monte Titoli, by means of electronic message "Inquiry online instructions".

Upon the receipt of each correct forward exercise instruction Monte Titoli sends to the sender a specific electronic message "msg 71N – Accounting Report" confirming the receipt. This message contains the original CRO of the related electronic message "msg 715 – Instructions on capital transactions".

Monte Titoli records separately on daily statement the rights of the balances for which exercise rolling instructions have been correctly received by those for which, instead, the forward exercise instructions have not been received.

Note that if no instructions are received from the Intermediary, Monte Titoli does not perform any operation.

3.5.7 Provisional accounting

Monte Titoli produces and sends specific provisional accounting messages in order to provide the timely information necessary, while subscription is still open, for the parties to the operation to fulfil their respective requirements.

The provisional messages contain comprehensive details of subscription, the total subscribed and the countervalue to be paid.

Their respective destinations of provisional messages are as follows:

- "msg. 7B1", to the Issuer's Collecting Bank and its Agent Bank (if relevant);
- "msg. 7B2", to Intermediary subscribers, their Paying Bank (if other than the Intermediary subscribers) and the relevant Agent Banks (where relevant);
- "msg. 7B3" to the Issuer.

Provision is also made for the following messages provided only on MT-X facility:

- "Instructions provisional report", to Intermediaries that have sent instructions, with the details of the instructions received from Monte Titoli at the time the report is produced;
- "Instructions reminder report" to Intermediaries that, despite having balances corresponding to rights in their respective accounts, have not sent instructions to exercise the rights.

The information contained in these provisional messages may be subject to alteration with the sending, within the established deadlines, of further instructions from the Intermediary either in addition to, or partially or totally cancelling previous instructions.

Provisional messages available only on MT-X platform are sent to Participants involved with the following schedules:

for capital increases handled using the Account method:

- closure of the accounting day (18:30 hours approx.) Of "DD-1";
- at 12:00 (approx.) and 13.00 (approx.) of "DD".

for capital increases handled using the Rolling method:

- at 12:00 (approx.) and 13:00 (approx.) of each accounting Day during the offering period, for exercise rolling instructions;
- at the closing of each accounting Day (18.00 hours approx.) until DD-1 and at 13:00 (approx.) of DD; for exercise instructions of forward exercise.

It should be noted that provisional and solicitation messages sent at "DD" report balances at "DD-1" (and trough statement of account). Monte Titoli may provide balances updated in real time only upon the request of participants trough the specific request balances message (MT716).

3.5.8 Blockage of rights

For capital increases handled using Accounting method, at DD in response to instructions from Intermediaries and after verifying the availability of the relevant rights in their securities accounts, Monte Titoli imposes an operating block of the ISIN associated to rights. This block is necessary for verification of the availability of funds for cash settlement in the RTGS account on TARGET2 System or on DCA account of the subscriber Intermediary or the Agent Bank (if relevant) in order to determine the subscription operations that can be settled.

Monte Titoli commences the cash settlement operations within the limits of rights available in the relevant accounts blocked as described in the preceding paragraph. Any instructions sent in relation to a quantity of rights exceeding the available ones will not be considered to the extent of the excess portion.

For capital increases handled using Rolling method, the same procedure is performed in each DD-Rolling, for the instructions to be executed in the same date. Also the DD day, Monte Titoli performs with automatic procedure the exercise instructions of the forward rights received up to 13.30 DD, within the transaction using the Rolling method.

3.5.9 Accounting and provision of funds

For capital increases handled using the Accounting method, at 14.00 (approx.) of DD at the end of the subscription period, Monte Titoli sends specific fund provision accounting messages in order to provide the information necessary for the relevant parties.

For capital increases using the Rolling method, Monte Titoli sends the same information at the end of each daily subscription window, that is at 13:40 (approx.) of each DD-Rolling. Such disclosure considers the exercise instructions received up to 13.30 of every daily subscription window up to the balance of rights received until 13.40 hours of the same day. The exercise instructions received, but not performed for insufficient amount of rights into account, will be considered in the settlement process of the next subscription window in which rights are available (subsequent DD-Rolling).

The provisional messages, sent as indicated above in preparation for the execution of the operation and containing the details of subscription data, individual countervalues to be paid, the total subscribed and the total countervalue.

The provisional messages are addressed as follows:

- “msg. 7B1”, to the Issuer’s Collecting Bank and its Agent Bank (if provided)
- “msg. 7B2”, to Intermediary subscribers, their Paying Bank (if other than the Intermediary subscribers) and the relevant Agent Banks (if provided)
- “msg. 7B3” to the Issuer.

Provision is also made for message “Provisional indication of capital operations”, available exclusively on the MT-X platform, addressed exclusively to the Issuer and containing details of subscriptions relating to each Intermediary account.

3.5.10 Cash settlement

The settlement of cash due to the Issuer in respect of the subscription of the capital payment operation by Intermediary participants in the centralised administration system is performed by Monte Titoli through TARGET2 System.

In order to settle capital payment operations, Monte Titoli, on the instruction of its own Participant, proceeds:

- to associate a RTGS account or DCA account with each securities account opened in the System.
- to associate a RTGS account or DCA account with each of the Collecting Bank’s ABI codes in the System.

The Collecting Bank communicates to Monte Titoli whether it will receive the payments through its RTGS or DCA account.

The above communications are made through CLIMP platform.

3.5.11 Standard settlement procedure

Cash settlement is performed by the “Real Time Gross Settlement” method (i.e. ‘procedure 2’), by using a specific account opened by Monte Titoli (technical account) as an Ancillary System (AS) with the Payment Module (PM).

For subscription operations that can be settled on each securities account (own account, third party account and settlement agent account), Monte Titoli proceeds, using its own technical account in TARGET2 System, to:

- debit the cash account in TARGET2 System of the respective Intermediary or the Agent Bank (if relevant) or the Correspondent Bank (if relevant)
- credit the cash account in TARGET2 System of the Issuer’s Collecting Bank or the Agent Bank (if relevant).

Note that this method cannot be used for the settlement of funds relating to a subscription made:

- by the Issuer’s Collecting Bank which also acts as the subscriber of the operation (on its own behalf or on behalf of third parties)

- by the Issuer, which acts as the subscriber using its own Intermediary accounts (on its own behalf or on behalf of third parties)

provided that the Issuer has given a specific instruction to Monte Titoli in the mandate for the operation.

In such cases, a specific settlement procedure is used, for which, see paragraphs 3.5.12 and 3.5.13.

Monte Titoli:

- for capital increases handled using the Account method, commences the settlement cycle after 14:00 hours on “DD”, after the production and sending of the fund provision messages referred in paragraph 3.5.9.
- for capital increases handled using the Rolling method, commences the settlement cycle after 13:40 hours of each “Rolling-DD”, following the production and sending of messages informing of the constitution of funds as referred to in paragraph 3.5.9.

Settlement cycle

In this phase the debits are made from PM accounts, authorised to settle in TARGET2 System, of the cash relating to subscription instructions for which the entire cash countervalue is available. The conclusion of the first settlement phase is scheduled for no later than 16:00.

Instructions settled in this manner during the first phase are final.

The system proceeds to send the settlement instructions¹⁵ to the SSP (Single Shared Platform) for all parties authorised to operate in TARGET2 system, with the following details:

- settlement messages are forwarded to the authorised PM account (PM account of the subscriber or of its Paying Bank or, if the latter is not a direct member of TARGET2 System, the relevant Agent Bank)
- where various Intermediary subscribers use the same PM account to operate in TARGET2 System, a single cumulative message is sent to that account with all the amounts due from the relevant Intermediary subscribers for a certain operation. the operation is identified in an unequivocal manner by means of the special operation number
- the detail for reconciliation of the cumulative amounts is set out in the individual “7B2” messages sent with the same special operation number and distinctly for each securities account subject to subscription instructions to all parties involved (subscriber, relevant Correspondent Bank and Agent Bank were relevant)
- the instructions to debit the PM accounts authorised to operate in TARGET2 System are sent individually, grouped by Correspondent Bank or Agent Bank, where relevant.

The System verifies the settlement outcomes originating from TARGET2 System and for all positive settlement outcomes, debits the PM account authorised to operate in TARGET2 System and credits a counter-entry to the Monte Titoli account in TARGET2 System.

Until the first settlement time-out (16:00), the system places the settlement instructions with a negative outcome due to a partial or total lack of a cash countervalue in a queue.

¹⁵ A maximum settlement priority is assigned to all payment instructions (“very urgent payment order”)

The banks are configured according to the rules with the appropriate "900" message sent by the TARGET2 System.

If, the (total or partial) lack of coverage continues until the timeout of the ~~second~~ settlement phase, Monte Titoli does not perform the operation.

In exceptional cases of specific and documented processing problems, the established standard schedules may be altered following due and timely notification of Participants.

3.5.12 Settlement procedure (5) for subscriptions made by the collecting bank

If the Intermediary subscriber is also the Issuer's Collecting Bank, settlement of the funds relating to instructions sent by the Issuer in its own account and/or third party account may be carried out by using the "Simultaneous multilateral settlement" procedure (also known as procedure 5). The procedure is applied exclusively on the specific request of the Issuer set out in the message "Mandate for capital increase".

3.5.13 Settlement procedure for subscriptions made on the Issuer's Intermediary accounts

If the Issuer sends settlement instructions to its own Intermediary accounts (own and/or third party) and thus acts as a subscriber in debt to itself, the settlement of the relevant funds may be excluded. In such cases the accounting messages "7B1", "7B2" and "7B3" will show an indication of settlement by "other methods".

The procedure is applied exclusively on the specific request of the Issuer set out in the message "Mandate for capital increase".

3.5.14 Settlement procedure through DCA accounts

The cash settlement takes place in the Settlement Service.

For the settlement of cash in DCA accounts Monte Titoli sends settlement instructions of payment-free-of delivery (PFOD) that feature the reference code of the corporate event.

If there is availability of cash, the operation is executed by debiting the DCA account of Intermediaries and crediting the technical DCA account of Monte Titoli.

The Intermediaries subscribers receive the notification of the receiving of cash through message 025 or 71N.

At the end of the phase of charge:

- a) If the Collecting Bank requires the deposit of the funds on the DCA:
 - Monte Titoli charges the DCA account of the Collecting Bank of Funds
 - T2S communicates through a sese.025 message to Monte Titoli and to the Collecting Bank (on optional basis), the result of the credit operation.

- b) If the Collecting Bank requires the deposit of the funds on the RTGS:
- Monte Titoli prepares a transfer of cash from its DCA account to RTGS correspondent account, after which Monte Titoli debits its account and credits the account of the Collecting Bank (or of the Agent Bank)
 - TARGET 2 communicates through a message (AS – Initiation Status), to Monte Titoli and to the Collecting Bank of Funds (or the Agent Bank), the result of the credit of funds.

Also in T2S is possible to repeat the settlement compensated adopted in TARGET 2 (procedure 5) in the same operation.

Compensation is performed by Monte Titoli (that provides the charges) linking debt and credit instructions towards the Collecting Bank, to be settled on all or none base.

At the end of the settlement window, if liquidity is still insufficient, Monte Titoli cancels the instruction in T2S and creates a notification of absence funds (RNI 71N) for paying entities.

3.5.15 Execution of the operation

When the operation is executed, Monte Titoli proceeds to process all settled subscriptions by means of:

1. removal of executed rights from the securities accounts of Intermediary subscribers
2. crediting the countervalue to the cash account RTGS or DCA of the Issuer's Collecting Bank or the relevant Agent Bank. It is provided a statement of credit for each subscriber account.

3.5.16 Final accounting

At the conclusion of the operation, Monte Titoli provides final information on the accounting of the operation itself to the following parties:

- to the Intermediary, their Correspondent Bank and the latter's Agent Banks (where relevant);
- to the Issuer's Collecting Bank and the corresponding Agent Bank, (where relevant);
- to the Issuer.

These final messages provide for the production of final messages 7B1/7B2/7B3 indicating the detail of subscription data, the individual countervalues paid, the total subscribed and the total countervalue. These messages have the following recipients:

- 7B1 is addressed to the Issuer's Collecting Bank and its Agent Bank, if relevant
- 7B2 is addressed to Intermediary subscribers, their Correspondent Bank (if other than the Intermediary subscribers) and the relevant Agent Banks (where relevant)
- 7B3 is addressed to the Issuer.

Provision is also made for Monte Titoli to send, exclusively through the MT-X platform:

- a message confirming the crediting of the funds, with an indication of the total amount credited to the account of the Collecting Bank;
- a final summary of subscriptions.

As is customary, all securities account movements are set out in the DD or of each Rolling-DD daily statement, addressed to the Intermediary subscribers and to the Issuer.

The above messages are sent to members by closing time on the Accounting Day of performance (DD) for capital increases handled using the Account method, and at the end of each daily settlement window for capital increases handled using the Rolling method.

3.5.17 Availability of resulting securities

For capital increases, Monte Titoli credits resulting securities, to the intermediate subscribers' accounts as shown below:

- at the end of the scheduled phase of settlement, for transactions handled with the "account method";
- at the end of the settlement phase provided for each deadline date (DD), for transactions handled with the "rolling method".

The securities become immediately available for the settlement of transactions of that day.

At the end of the operation it shall download the unexercised rights from the accounts of the intermediaries concerned.

3.5.18 Revocation of purchase or subscription pursuant to Article 95-bis T.u.f.

A request for publication of the supplement to the prospectus required pursuant to Article 95 of the Consolidated Law on Finance must be brought to Monte Titoli's attention promptly by the Issuer concerned and/or by the relevant supervisory authority, by and not later than 13:00 on the DD, to enable Monte Titoli to:

- defer the deadlines for the operation, as provided by the provision;
- notify the System of the event;
- prepare the System for receipt of the subscription amendments.

If the notice of publication of the supplement to the prospectus is received by Monte Titoli after the deadline indicated above, it will no longer be possible to postpone the execution of the operation, nor will it be possible for the System to activate the intervention measures described above.

Any accounting arrangements for securities and cash will therefore be the exclusive responsibility of the Intermediaries concerned and of the Issuer, which will also be responsible for instructing Monte Titoli in relation to any adjustments for issued securities to be made to accounts opened in the System.

In the event of capital increases handled using the rolling method, the request for publication of the supplement to the prospectus required pursuant to Article 95-bis of the Consolidated Law on Finance, brought to Monte Titoli's attention by and not

later than 13:00 hours of the Rolling-DD, shall be managed as above. Any request for publication received after 13:00 hours of the Rolling-DD, shall be deemed as having been received on the subsequent accounting day.

3.5.19 Subscription option pursuant to Article 2440 of the Civil Code

If a capital increase is subscribed by means of allotment in kind or credits, the shareholder subscribes the relevant stock options directly with the Issuer.

In such cases the Issuer is required to notify Monte Titoli of the number of rights belonging to the shareholder itself that are to be annulled, and the Intermediary with which the shareholder holds the securities. Monte Titoli proceeds to annul the rights following authorisation from the Intermediary concerned.

The relevant notifications must be received by Monte Titoli by 12:30 on DD.

The notification will be forwarded:

- by the Issuer, through MT-X, attached to the mandate or if it is sent afterwards, through "General Mandates";
- by the Intermediary with a "General Instruction" message;
- where the platform is not available, by mail (helpdesk.domesticcustody@lseg.com). The communication must be duly signed (conforming to the *specimen* signature deposited).

Shares subscribed in this manner must be credited by the Issuer to the account of the beneficiary Intermediary with the same credit value date and the same availability as securities originating from the subscription made through the system. To this end, and pending the implementation of the "710 subscription" message, the Issuer is required to instruct Monte Titoli using the "general mandate" message. On receipt of the message, Monte Titoli proceeds to credit the securities with a temporary technical block. Monte Titoli unblocks the securities on DD+1, and they become available for the settlement cycle of that day.

3.5.20 Exercise of unpurchased options

This operation is performed by the same methods used for a bonus and option right issue or option right issue described above.

The only difference relates to the phase for ascertainment of the unpurchased rights to be offered on the market, Where unpurchased options rights shall be offered on regulated markets, the issuer shall which are credited the unexercised rights directly by the issuing company to the account of the Intermediary mandated for the offer of the rights using the specific ISIN issued by the Bank of Italy.

The procedures for exercising the rights and crediting the resulting shares are like those described in the previous paragraphs.

At the end of the operation, Monte Titoli proceeds to remove unpurchased option rights from the intermediaries the expired and unpurchased rights from the participants' accounts.

3.6 Bonus rights

3.6.1 Granting of a mandate

The Issuer grants a mandate to Monte Titoli for a bonus right by means of a specific message entitled "Mandate for capital increase". The mandate shall set out all the information necessary for Monte Titoli to duly manage the operation, specifically:

- the terms and methods of the operation;
- if the rights is eligible for trading, the ISIN codes attributed by the Bank of Italy to the allotment right(s) and the resulting financial instrument(s), if newly-issued or with pro-rata entitlement.

The mandate must be sent to Monte Titoli at least 3 working days before the date scheduled for the commencement of the operation¹⁶.

3.6.2 System reporting

Monte Titoli informs the Intermediaries participating in the System of the operating instructions needed to credit the rights and exercise the allotment rights through separate Service notices, stating the same special operation number and cross reference between the Service notice number to credit rights and the Service notice number related to the exercise conditions.

Any changes to the operating instructions will be communicated through Service notices.

Service notices will be sent using only the following communication channels:

- RNI message;
- native Swift message;
- MT-X message;
- e-mail.

Intermediaries can choose to receive Service notices by more than one communication channel.

When there are balances on any of the relevant accounts, Intermediaries will receive Service notices on their own account.

Alternatively, Intermediaries may request the following:

- always receive the Service notices, regardless of the accounting position in the financial instruments covered by the operation;
- receive the Service notices directly to the account including the balance.

3.6.3 Bonus right with a right tradable on regulated markets

On the date indicated in the Service notice related to the crediting of rights, Monte Titoli detaches the rights based on the balances of financial instruments, registered in the securities accounts of Intermediaries at the Record Date.

¹⁶ For securities listed on regulated markets or multilateral trading systems operated by Borsa Italiana SpA the issuer must fix the Record Date for the crediting of the right so that it coincides with the first settlement day following the ex-dividend date scheduled.

Following the detachment, Monte Titoli credits the issued allotment rights, represented by a specific ISIN code (the so-called interim security) to the securities account of the Intermediaries with a counter-entry in the Issuer's account.

Monte Titoli informs the Intermediaries and the Issuer of the outcome of the operation by the set electronic message entitled "msg 71N – Accounting report".

In the event that the ISIN codes representing the rights correspond to financial instruments that are different but which incorporate the same option (or allotment) right, Monte Titoli orders that all the balances present in their accounts be unified in a single code.

With respect to this operation, rights are managed using the same terms applied to paid increases in share capital.

Monte Titoli, on the day after the deadline for receipt of instructions to exercise allotment rights, as provided by the Service Notice, enters the operation into the accounts after verifying the availability of funds in the securities account of the Intermediaries that have sent the instructions:

- by debiting the rights and crediting the resulting financial instruments to the accounts of the Intermediaries. The financial instruments resulting from the operation are immediately available;
- by crediting the rights and debiting the resulting financial instruments to the accounts of the Intermediary.

By message "Final indication of data to the Issuer for capital operations", Monte Titoli provides the Issuer with summary data on the new financial instruments that have been allotted, including the detail of instructions received from Intermediaries.

Monte Titoli sends message 7B2 to beneficiary Intermediaries, confirming that the financial instruments resulting from the operation have been credited to the relevant accounts.

Monte Titoli keeps accounting records of residual allotment rights in the securities accounts of Intermediaries. Subsequently, if it is determined, in relation to an Intermediary, that a number of rights are available which are compatible with the allotment ratio, Monte Titoli performs the operation subject to receipt of the relevant instructions from the Intermediary, where requested, and informs the Issuer thereof.

3.6.4 Bonus right with non-tradable right

Monte Titoli performs the operation on its own initiative on balances existing on the date indicated in the Service Notice.

The financial instruments resulting from the operation are immediately available.

By message "Final indication of data to the Issuer for capital operations", Monte Titoli provides the Issuer with summary data on the new financial instruments that have been allotted.

Monte Titoli sends message 7B2 to beneficiary Intermediaries, confirming that the financial instruments resulting from the operation have been credited to the relevant accounts.

3.6.5 Increase or decrease of free capital with a change in nominal value

The Issuer is required to inform Monte Titoli, by message entitled "General mandates" of the passing of any resolution for an increase or decrease in registered capital implemented solely by a change in nominal value.

Monte Titoli informs Intermediaries of the operation by means of a Service Notice.

Simultaneously, Monte Titoli proceeds to make the necessary updates by amending its records.

3.7 Exercise of warrants

3.7.1 Granting of a mandate

The Issuer grants a mandate to Monte Titoli to exercise warrants by means of a specific message entitled "Mandate for capital operations", communicating the terms and methods of the operation.

In particular, for warrant exercise operations continually exercised, the Issuer is obliged to notify Monte Titoli, as soon as possible:

- the variable data (price, ratio, etc.);
- the start and end date of the operation;
- any periods of suspension and re-activation of the warrant exercise operation by means of electronic message entitled "Suspension/reactivation mandates" in accordance with the prospectus or the terms and conditions or the regulations. The message must be received by Monte Titoli by the third working day before the scheduled date of suspension. In the event of suspension, if the message is received after the established deadline, Monte Titoli will settle the instructions received on the first available value date. On receipt of the communication, Monte Titoli informs Participants by means of a "Service Notice for capital operations", indicating the dates of suspension/reactivation communicated by the Issuer;
- the last period in which the warrant can be exercised.

The mandate must be sent to Monte Titoli at least 3 working days before the date scheduled for the commencement of the operation.

3.7.2 System reporting

Monte Titoli informs the Intermediaries participating in the System of the operating instructions to exercise warrants through Service notices.

The Service notice sets out, in particular:

- the start and end date of the operation;
- the final date for receipt of instructions;
- the ISINs concerned and the relevant operating deadlines;
- the exercise ratio;
- any period of suspension and reactivation of the operation or the last period available in which exercise can be performed, in the case of a continuous operations.

Any changes to the operating instructions will be communicated through Service notices.

Service notices will be sent using only the following communication channels:

- RNI message;
- native Swift message;
- MT-X message;
- e-mail.

Intermediaries can choose to receive Service notices by more than one communication channel.

When there are balances on any of the accounts related to them, Intermediaries will receive Service notices on their own account.

Alternatively, Intermediaries may request the following:

- always receive the Service notices, regardless of the accounting position in the financial instruments covered by the operation;
- receive the Service notices directly to the account including the balance.

3.7.3 Instructions to exercise and execute the operation

This operation entails the same execution and reporting methods used for paid increase in share capital.

On DD+1, Monte Titoli proceeds to remove the unexercised warrants from the accounts of Participants in the System.

Where warrants are exercised on a continuous basis, Monte Titoli proceeds to remove them at the end of the last period of execution of the operation.

3.8 Voluntary Conversions

3.8.1 Granting of a mandate

The Issuer grants a mandate to Monte Titoli for execution of the conversion by means of a message entitled "Mandates for capital operations", indicating the terms and methods for execution of the operation, the date set for making the resulting financial instruments available and the relevant methods for unblocking them.

The mandate must be sent to Monte Titoli at least 3 working days before the date scheduled for the commencement of the operation¹⁷.

The Issuer makes periodic announcements, providing sufficient prior notice, of conversion operations regarding shares, bonds and similar financial instruments exercisable continuously, indicating:

- the variable data (ratio, etc.);
- any periods of suspension and re-activation of the operation;
- the last period in which the conversion can be exercised.

3.8.2 System reporting

Monte Titoli informs Intermediaries by means of a Service Notice.

The Service Notice sets out, in particular:

- the start and end date of the operation;
- the final date for receipt of instructions;
- the ISINs concerned and the relevant operating deadlines;
- the conversion ratio;
- any period of suspension and reactivation of the operation or the last period available in which conversion can be performed, in the case of a continuous conversion.

Any changes to the operating instructions will be communicated through Service notices.

Service notices will be sent using only the following communication channels:

- RNI message;
- native Swift message;
- MT-X message;
- e-mail.

Intermediaries can choose to receive Service notices by more than one communication channel.

When there are balances on any of the relevant accounts, Intermediaries will receive Service notices on their own account.

Alternatively, Intermediaries may request the following:

- always receive the Service notices, regardless of the accounting position in the financial instruments covered by the operation;

¹⁷ When granting the operating mandates to the Centralised Administration System, the issuing companies are in all cases required to adhere scrupulously to European standards regarding Corporate Action and General Meetings, with particular respect to operating deadlines (by which Monte is to receive the final operating instructions to be announced to the system) and the use of the English language (for notifications of corporate events and operations on financial instruments, including those held on non-domestic markets).

- receive the Service notices directly to the account including the balance.

3.8.3 Conversion instructions

Intermediaries that intend to perform the operation inform Monte Titoli, within the deadlines indicated in the Service Notice, of the instructions for exercising the right of conversion by means of a message entitled: "Instructions for capital operations".

At the last (for continuous operations) or only period of conversion, Intermediaries are required to send their instructions, even if they renounce the operation.

Note that where instructions are sent in amounts exceeding the available balance, Monte Titoli performs the operation up to the available amount.

Until the day indicated as the final date for reception of instructions, Intermediaries may:

- amend or supplement the instructions already sent by a message entitled "Instructions for capital operations"
- view, at any time, instructions sent to Monte Titoli by a message entitled "online instructions enquiry".

Additionally, Monte Titoli sends Intermediaries the following reports by electronic message:

- "Instructions provisional report", to Intermediaries that have sent instructions, with the details of the instructions received from Monte Titoli on the accounting date before that in which report is produced
- "Instructions reminder report" to Intermediaries that, despite having balances in their rights accounts, have not sent instructions to exercise the right.

Monte Titoli sends the messages to the Intermediaries concerned on the second working day before each deadline for instructions indicated in the Service Notice.

3.8.4 Execution of the operation

On the day after the deadline for receipt of instructions, Monte Titoli enters the operation into the accounts, subject to the availability of funds in the relevant securities account:

- by debiting the financial instruments subject to the conversion right and crediting the resulting financial instruments to the Intermediaries' accounts. The resulting financial instruments are made available by the timescales and methods indicated in the Service Notice;
- by crediting the financial instruments subject to the conversion right and debiting the resulting financial instruments to the Intermediary's account.

By message "Final indication of data to the Issuer for capital operations", Monte Titoli provides the Issuer with summary data on the new financial instruments that have been assigned, including the detail of instructions received from Intermediaries.

For continuous operations, no provision is made for notification of the Issuer at the end of each maturity, except in the last period, if the operations produce a negative outcome due to failure on the part of Intermediaries to send instructions.

Monte Titoli sends message 7B2 to beneficiary Intermediaries, confirming that the financial instruments resulting from the operation have been credited to the relevant accounts.

3.8.5 Availability of resulting financial instruments

Monte Titoli makes the financial instruments resulting from the conversion available in accordance with the instructions sent by the Issuer with the mandate and by the following methods:

- If the Issuer has granted Monte Titoli authorisation to unblock:
 - a) on the date of execution of the operation, in the case of share conversions
 - b) on the indicated by the prospectus or the terms and conditions or the regulations for the security, in the case of bond conversions
- If the Issuer has not granted Monte Titoli authorisation to unblock and therefore reserves the right to proceed directly to unblock the resulting securities, Monte Titoli makes them available on receipt of a communication from the Issuer instructing it to unblock the securities.

The Issuer sends the communication to Monte Titoli by means of a "General Mandate" message.

3.8.6 Suspension / reactivation of the operation

For continuous operations, the Issuer is notified by Monte Titoli of the suspension/reactivation period of the right of conversion by means of electronic message entitled "Suspension/reactivation mandates".

The message must be received by Monte Titoli by the third working day before the suspension.

On receipt of the communication, Monte Titoli informs participants by means of a "Service Notice for capital operations", indicating the dates of suspension/reactivation communicated by the Issuer.

In the event that the operation is suspended, the Service Notice indicates the start date of the suspension period for Intermediaries to send instructions.

3.8.7 Conversion of registered shares into bearer shares and vice versa

After a savings shares have been admitted, Monte Titoli sets the operating methods to convert registered shares into bearer shares and vice versa.

Intermediaries may request Monte Titoli to convert savings shares from bearer into registered shares, as provided in the operating rules indicated in the relevant Service notices.

On receipt of the instructions, Monte Titoli enters the operation into the accounts, subject to the availability of funds in the relevant securities account:

- by debiting the financial instruments subject to the transformation operation and crediting the resulting financial instruments to the accounts of the Intermediaries;
- by crediting the financial instruments subject to the transformation operation and debiting the resulting financial instruments to the accounts of the Issuer

Monte Titoli sends message 7B2 to beneficiary Intermediaries, confirming that the financial instruments resulting from the operation have been credited to the relevant accounts.

The resulting financial instruments are available on the date of execution of the operation.

3.9 Grouping, splitting, mandatory conversion, merger and division

3.9.1 Granting of a mandate

L'Emittente conferisce l'incarico a Monte Titoli inviando il previsto messaggio "Incarichi per operazioni sul capitale (per raggruppamento, frazionamento e conversione obbligatoria)" o "Incarichi per eventi societari (per fusione o scissione)", nel quale sono indicati i termini e le modalità previste per l'esecuzione dell'operazione.

L'incarico deve essere inviato a Monte Titoli almeno 3 giorni lavorativi prima della data prevista per l'inizio dell'operazione¹⁸.

3.9.2 System reporting

Monte Titoli informs its participants by means of the established Service notice message.

The Service notice sets out, in particular:

- the date of execution of the operation;
- the codes of the financial instrument concerned;
- the exchange ratio.

Any changes to the operating instructions will be communicated through Service notices.

Service notices will be sent using only the following communication channels:

- RNI message;
- native Swift message;
- MT-X message;
- e-mail.

Intermediaries can choose to receive Service notices by more than one communication channel.

When there are balances on any of the relevant accounts, Intermediaries will receive Service notices on their own account.

Alternatively, Intermediaries may request the following:

- always receive the Service notices, regardless of the accounting position in the financial instruments covered by the operation;
- receive the Service notices directly to the account including the balance.

3.9.3 Execution of the operation

Monte Titoli usually performs the operation on its own initiative on balances existing on the date indicated in the service notice.

¹⁸ Le società emittenti, nell'impartire i mandati operativi al Sistema di Gestione Accentrata, devono comunque attenersi scrupolosamente agli standard europei previsti in materia di Corporate Action e General Meeting, con particolare riferimento alle dead line operative (termini entro i quali far pervenire a Monte Titoli le indicazioni operative definitive da divulgare al Sistema) ed all'utilizzo della lingua inglese (per comunicazioni afferenti eventi societari od operazioni su strumenti finanziari detenuti anche presso mercati non domestici).

By message "Final indication of data to the Issuer for capital operations", Monte Titoli provides the Issuer with summary data on the new financial instruments that have been allotted.

Monte Titoli sends message 7B2 to beneficiary Intermediaries, confirming that the financial instruments resulting from the operation have been credited to the relevant accounts.

3.9.4 Availability of resulting financial instruments

The resulting financial instruments are available on the date of execution of the operation.

Monte Titoli keeps accounting records of financial instruments deemed residual due to their being of a number less than the exchange ratio, in the securities accounts of the Intermediaries.

If an Intermediary subsequently possesses financial instruments sufficient to be compatible with the exchange ratio, Monte Titoli can perform the operation. The operation is executed, where possible, subject to the Intermediary sending the instructions._

By message "Final indication of data to the Issuer for capital operations", Monte Titoli provides the Issuer with the details of the new financial instruments that have been assigned.

3.10 Public Purchase and Exchange Offers

3.10.1 System reporting

Monte Titoli informs the Intermediaries by means of a Service communication containing the operational information on the Public Purchase or Exchange Offer provided by the Issuer or the Intermediary responsible for collecting acceptances.

No further activity is performed by Monte Titoli for this operation, except for Public Offers where acceptances are collected on the market in the manner set out below.

3.10.2 Public Purchase and Exchange Offers with acceptances collected on the regulated market (electronic offers)

In the case of Public Purchase Offers where acceptances are collected on the regulated market, Monte Titoli informs Intermediaries by means of a Service Notice after receiving the information published by the market management company. This notice replaces the Service Communication referred to in the previous paragraph.

Specifically, the Service Notice shall include:

- the quantity and characteristics of the financial instruments subject to the purchase offer;
- the unit price offered/exchange ratio, if any;
- the date of payment of the price offered;
- the terms and conditions to send acceptances.

Intermediaries that intend to participate in the operation should send the relevant instructions to Monte Titoli, by the deadlines indicated in the Service Notice, in the form of an electronic message entitled "Instructions for capital operations", in order to convert the code for the financial instruments from a "settle" code to an "OPA/OPS" code.

Where necessary and within the deadlines indicated in the Service Notice, Intermediaries can convert the financial instrument code from an "OPA/OPS" code to a "settle" code by sending an appropriately worded electronic message entitled "Instructions for capital operations" properly filled.

On receipt of the instructions, Monte Titoli enters the operation into the accounts, subject to the availability of funds in the securities account indicated by the Intermediary:

- by debiting the financial instruments subject to the code change instructions and crediting the resulting financial instruments to the accounts of the originator Intermediary. The returned securities are available immediately.
- by crediting the financial instruments subject to the code change instructions and debiting the resulting financial instruments to the accounts of the originator Intermediary.

Monte Titoli sends message 7B2 to beneficiary Intermediaries, confirming that the financial instruments resulting from the operation have been credited to the relevant accounts.

Monte Titoli receives the collected acceptances directly from the market management company in the form of market contracts for settlement through the Settlement Service.

3.11 Exercise of purchase obligation/right

3.11.1 Granting of a mandate

The issuing company grants Monte Titoli, by means of a message entitled "General mandates", a mandate to disseminate through the system a report announcing that the purchase obligation/right has been exercised by the bidder pursuant to Articles 108 and 111 of the Consolidated Law on Finance and an indication of the methods for settlement of the operation.

The mandate must be sent to Monte Titoli at least 3 working days before the date scheduled for the commencement of the operation.

3.11.2 System reporting

Monte Titoli informs the Intermediaries participating in the System by means of a Service Notice indicating the operating methods communicated by the Issuer, in particular:

- the date of settlement of the operation
- the code and number of shares to be purchased
- the purchase price
- the Intermediary engaged by the bidder for settlement of the operation
- the bank where the funds are deposited.

Any changes to the operating instructions will be communicated through Service notices.

Service notices will be sent using only the following communication channels:

- RNI message;
- native Swift message;
- MT-X message;
- E-mail.

3.11.3 Execution of the operation

On the date indicated in the Service Notice, Monte Titoli, after receiving confirmation from the bank indicated by the bidder that the funds have been deposited, transfers the shares subject to purchase from the securities account of the depositary Intermediaries to the account of the Intermediary mandated by the bidder.

The settlement of the relevant counter value in favour of the depositary Intermediaries concerned is performed directly by the Intermediary mandated by the bidder.

3.12 Covered warrant and certificates

3.12.1 Application for admission

The Issuer applies for the admission of the financial instruments to the System by sending Monte Titoli the mandate with the required documentation via MT-X platform.

To send the document correctly, the following instructions should be observed:

- each application for admission must be performed on MT-X platform, through MT265 BIS function;
- the layout for the automatic registration must be in Excel format. The layout is provided by Monte Titoli on demand of the Issuer or the Paying Bank at the first application for admission;
- the layout must be attached to the application for admission.

For financial instruments admitted to trading on regulated markets or MTFs, the Issuer may request Monte Titoli to acquire the information necessary for the census of financial instruments through the electronic channels made available by the market management companies. The list of channels, defined for each market, is available on MT-X.

3.12.2 Exercise at maturity

The Issuer must notify Monte Titoli of the list of maturing financial instruments at least three days before the exercise date. In the event that the maturity of securities is brought forward due to the occurrence of conditions provided by relative prospectus or in the conditions or in the regulation, the issuer must notify Monte Titoli of the new exercise date at least three days before that date.

After verifying the accuracy of the data, Monte Titoli informs the intermediaries of the approaching of the due date by Service Notice.

On the expiration date, Monte Titoli automatically makes covered warrants or certificates subject to exercise unavailable.

For the payment of the amounts deriving from the exercise of covered warrant or certificates providing for the cash settlement of a monetary spread the issuer may grant a specific mandate to Monte Titoli, in which case the paragraph 3.18.5 will apply.

In the absence of the payment mandate, Monte Titoli on the expiration date:

- communicates to the issuer (or to the Paying Bank) the accounting evidence necessary for the execution of the payment;
- discharges the securities from the issuer's account and in return to the intermediaries' account, based on instructions received from the issuer that made the payment.

3.12.3 Exercise before maturity on the intermediaries' request.

For securities with exercise before maturity, intermediaries must send the exercise request to the issuer.

The issuer must send Monte Titoli instructions for the discharge of the financial instruments from the issuer's account and in return on the account of the requesting intermediary, after having made the payment.

3.12.4 Payment of the amount resulting from the exercise

The issuer may instruct Monte Titoli to make payments for amounts arising from the exercise of covered warrants or certificates providing for the cash settlement of a monetary spread.

At the same time as the appointment is granted, the issuer of covered warrants and/or certificates subject to the application of the US tax regulation set out in Section 871 (m) Internal Revenue Code must sign a special declaration in the format prepared by Monte Titoli, in which it undertakes to comply with all the obligations set out in the aforementioned section of the Internal Revenue Code. In the absence of such a declaration, Monte Titoli does not accept the payment instruction.

After receiving the declaration, Monte Titoli sends the issuer the W-8IMY form in which Monte Titoli declares that it does not assume responsibility for the purposes of the QI regulation (so-called chapter 3 non-resident alien withholding) and the FATCA regulation (so-called chapter 4 withholding).

3.12.5 Payment mandate

By the third day prior to the payment date, the issuer must send Monte Titoli the payment mandate message available on MT-X containing all the necessary data for the correct processing of the payment in particular ISIN, the amount, the date and currency of payment.

Within the day following receipt of the mandate Monte Titoli sends the Service Notice related to the payment processing to the Intermediaries who have requested it.

3.12.6 Information to the system

Within two days before the payment date, Monte Titoli sends the provisional messages containing the amounts of credits and debts of the payment date to the issuer and to the intermediaries.

3.12.7 Payment elaboration

By 10:00 a.m. on the payment date (PD), the issuer must make available the funds corresponding to the amounts specified in the provisional message sent by Monte Titoli. These funds must be credited to the RTGS account specified by Monte Titoli.

On the payment date (PD), after verifying that the funds received correspond to the amounts specified in the payment forecasts, Monte Titoli proceeds to credit the funds to the accounts of the beneficiary intermediaries and transmits to the intermediaries the message of final credit of the amounts in cash.

3.12.8 Discharging of accounting positions

Following the payment, Monte Titoli automatically proceeds with the discharge of the securities into the issuer's account *vis-a-vis* in the accounts of the intermediaries, sending a special report.

3.12.9 Covered warrants and certificates subject to the Section 871(m) IRC

Based on the data communicated by the issuer required to apply the withholding tax on the so-called Dividend Equivalent Payment (DEP) as per Section 871 (m) Internal Revenue Code, Monte Titoli sends monthly to intermediaries with balances on financial instruments at the date of payment of the DEP, the necessary data to fulfil their reporting obligations and any request for reimbursement from the Internal Revenue Service (forms 1042-S and 1042). These certifications are issued also in relation to "accumulating" certificates even in cases where the Issuer did not appoint Monte Titoli for the execution of payment transactions. Under no circumstances does Monte Titoli handle redemption requests on behalf of intermediaries.

3.13 Instrumental operations for management of non-dematerialised financial instruments

Dividend payments

In order to perform a dividend payment operation on non-dematerialised financial instruments, Monte Titoli physically detaches the coupon corresponding to the operation and sends it to the Issuer together with a letter indicating the quantity of financial instruments involved in the operation.

Payment of coupons and capital redemption

To perform coupon payment and capital reimbursement operations, Monte Titoli sends the Issuer:

- the coupons for payment, accompanied by form MT 14 "Coupon list" containing the specific identification numbers of the coupons. If the coupons are to be stamped instead of being physically detached, Monte only sends form MT14 "Coupon list" to the issuer by registered post.
- in the case of the end of loan, the certificates subject to redemption accompanied by form MT 130 "Report of certificates being drawn by Issuer" containing a list of the specific identification numbers of the certificates.

The lists indicated above are sent to the Issuer in two copies, one of which must be returned to Monte Titoli within twenty days as confirmation that the Issuer has verified its details. After twenty days, in the absence of any communication, the list is deemed to have been approved.

The paid coupons and the redeemed certificates to be sent to the Issuer are cancelled by Monte Titoli by methods expressly agreed with the Issuer itself (stamping or punching).

Capital operations

In order to perform a capital operation on non-dematerialised financial instruments, Monte Titoli physically detaches the coupon representing the rights of the operation and sends it to the Issuer together with a letter indicating the quantity of financial instruments involved in the operation.

3.14 Account transfer

3.14.1 Mass/selective transfer

In particular situations, Monte Titoli, on the request of an Intermediary, performs a mass transfer (a so-called "*giro globale*" or 'global delivery') or a selective transfer (for specific securities and quantities) from the intermediate account indicated as the "originator" to the account of the beneficiary.

Monte Titoli performs the mass transfer on the value date and by the methods indicated by the Intermediary.

In particular, the operation may be performed by the following methods:

- as the last operation on an Accounting Day
- during the Accounting Day.

Monte Titoli can only carry out a selective transfer operation during the Accounting Day.

A request for a mass/selective transfer must be received by Monte Titoli 3help working days before the value date scheduled for the operation.

Monte Titoli provides the transfer operation by forwarding FOP Instructions to the Settlement Service as already matched.

3.15 Sending the list of balances to issuers

On the Record Date, Monte Titoli sends the Issuer the list of balances which contains:

- the name and ABI code of Intermediary;
- the number and type of account (own account/ third party omnibus account/third party, individual account);
- the detail of balances of the financial instrument concerned for each account.

As regards proprietary accounts, Monte Titoli maintains and updates a dedicated database of the information provided by intermediaries concerning the communication of such information. In the first application phase, and, in any case, unless when a specific contrary indication is sent to Monte Titoli, the Intermediaries' consent is assumed and given on a general basis to all corporate events, including ID operations regarding any Issuer and any financial instrument in a CSD.

Whereas the assignment by the Issuer is given to Monte Titoli at least 15 days before the record date, Monte Titoli through a specific Service Provision asks Participants if they intend to modify, in relation to the specific operation that has been communicated, the indication given regarding the communication of data relating to property account. Monte Titoli gives notice of the Issuer data at the latest one business day after receiving the request or as of the record date.

4 INSTRUCTIONS OF THE FINANCIAL INSTRUMENTS MANAGEMENT SERVICE THROUGH LINK OPERATIONS OF THE SERVICE

4.1 Admission of financial instruments to Monte Titoli

4.1.1 Financial instruments admitted

Financial instruments that comply with the admission requirements set out in the Service Regulations may be admitted to the System.

4.1.2 Coding

Monte Titoli enters the title in its accounting system provided that all the necessary information is made available by the Issuer CSD.

Monte Titoli uses the ISIN codes reported by the Issuer CSD.

For operational reasons related to the efficient performance of all corporate operations and for the centralised management of financial instruments that do not meet the requirements established by Article 14 of the of the Bank of Italy/Consob Regulations, Monte Titoli, in addition to the ISIN codes, may also use specific codes of particular characteristics of financial instruments.

The codes are used in communications between Monte Titoli and Participants in the System and constitute an essential reference in all operations with Monte Titoli.

4.1.2 Application for admission

The application for admission must be submitted at least two working days before the start date of operation.

Applications received after the deadline specified above, will be processed consistent with the operational needs of Monte Titoli. In this case shall apply the provisions of paragraph 2.5 for the handling of urgent requests. Urgent requests must be sent to the ammissione.titoli@lseg.com within 4:00 hours pm. Applications received after this deadline shall be deemed received the following day.

Participants must submit the appropriate application form, available on the website of MT, via MT-X using the "General Instructions intermediary".

The issuers participating in the initial registration service may request the admission of the instruments issued to other central depository. To this end they must send the admission request by e-mail to ammissione@lseg.com , attaching the identification documents of the title. The issuers of covered warrants and certificates admitted to trading on regulated markets or MTFs, can ask Monte Titoli to acquire the information necessary for configuration on the the financial instruments through the electronic channels made available by the market

management companies. The list of channels, defined for each market, is available on MT-X.

Monte Titoli shall confirm to the applicant for admission or refusal to report, with proper motivation.

4.1.4 System reporting

Monte Titoli communicates daily the financial instruments admitted to the System through a Service Notice.

A list of financial instruments for which Monte Titoli operates as Investor CSD is published by Monte Titoli every day on MT-X platform.

4.1.5 Exclusion

In cases of exclusion of financial instruments, Monte Titoli shall promptly inform the intermediaries by means of a Service Notice.

Exclusion entails the debit of the financial instruments from the securities account of the Intermediaries.

4.1.6 Restrictions to the activity of intermediaries

For financial instruments admitted to the service for which regulatory or tax obligations are associated that can not be managed by Monte Titoli itself, Monte Titoli may require to Intermediaries not to act in their own behalf or on behalf of third parties.

For this reason, Intermediaries are required, under their own responsibility, to act in accordance with the restrictions specified by Monte Titoli in the Operational Document containing "Restriction to the activity of intermediaries".

Monte Titoli may request to the Intermediaries to subscribe the specific documentation for the purpose of attesting or verifying what mentioned above.

4.2 Centralisation in dematerialised form

Following their admission to the System, Monte Titoli centralises financial instruments in dematerialised form, by registering them in the Intermediary account and the account of the Issuer CSD.

Centralisation takes place by:

- nominal value, equal to or a multiple of the minimum denomination established at that moment by the prospectus or the terms and conditions or the issue regulations, for bonds and assimilated financial instruments;
- the nominal value of issue, with an indication of the current Pool Factor for paper-based securities.
- quantity, for shares and other similar financial instruments.

In order to ensure the proper functioning of the System, Monte Titoli may establish deadlines for centralisation operations, in particular for financial instruments affected by corporate transactions, the deadlines usually expected or indicated from time to time by Service Notices must be observed.

The centralisation of financial instruments issued in euro may be carried out in the following ways:

- a) centralisation procedure with delivery against payment DVP Issuance, which involves the debiting/crediting of newly issued financial instruments at the same time as the crediting/debiting of the amounts deriving from their subscription/placement;
- b) FOP Issuance centralisation procedure, which only consists of the debiting/crediting of financial instruments by means of the "Order of centralized financial instruments" message;

The DVP Issuance centralisation procedure applies to the registration of all newly issued financial instruments, except for:

- a) financial instruments for which an application has been made for admission to trading on a regulated market or MTF;
- b) financial instruments issued against securitisations governed by Law no. 130/1999;
- c) financial instruments issued or assigned in favour of employees;
- d) financial instruments issued by banks or investment firms and credited to an intermediary account of the issuer;

The issuers of the securities referred to in letters (a), (b), (c) and (d) must specify at the time of admission whether they intend to use the DVP Issuance or FOP Issuance procedure.

The centralisation of financial instruments issued in currencies other than the euro and of financial instruments with a deferral clause with capitalisation of interest (PIK notes) can only be carried out by means of FOP issuance.

4.3 Blocking and reservation of securities

For blocking and reservation positions in securities see paragraphs 3.1 and subsequents.

4.4 Shareholders' meetings and identification of financial instruments' holders

4.4.1 Shareholders' meetings

Based on the information received by 'Issuer CSD, Monte Titoli informs Intermediaries of the convocation of a shareholders' meeting by means of a Service Notice indicating the date, time and place at which the meeting is to be held.

Monte Titoli, where provided for, also communicates the ID data of the Intermediaries accounts where are registered the financial instruments relevant for the entitlement to attend the general meeting.

The communication is made only when the following conditions are met:

- the contract stipulated between Monte Titoli and the Issuer CSD provides for such a service;
- the information received by Monte Titoli is final.

Monte Titoli performs the necessary activities in order to facilitate participation in the shareholders' meetings. In particular, where appropriate, Monte Titoli provides for the issue of special proxies in accordance with its accounting records through financial intermediaries that requested so.

4.5 Payment of interest and capital redemption

4.5.1 Announcements

On the basis of the information communicated by the Issuer CSD, Monte Titoli sends the intermediaries, which have made request, the Announcement concerning the interest payment or capital redemption operation, within the working day subsequent to receiving the information.

4.5.2 System reporting

On receipt of final data from the Issuer CSD, Monte Titoli proceeds to enter them into the System and to inform the Intermediaries participating in the System of the necessary operating instructions for interest payments or capital redemption, by means of Service Notice 721 for each specific case.

Any changes in operating instructions will be communicated by sending Service Notice 721.

Service Notice 721 are sent 20 working days prior to the due payment date, where Monte Titoli has already received the payment information. In the absence of such information, Monte Titoli will send the Service Notices within one Accounting day following receipt of the payment information, except in the case of operational needs for Monte Titoli.

Service Notice 721 concerning mandates or any changes in mandates received by Monte Titoli close do the payment date (beginning from 3 days prior until the day prior to the payment date), will be sent:

- usually within the same Accounting day, if the mandates or changes arrive within 15:00;
- where possible, within the same Accounting day or the subsequent Accounting day, if the mandates or changes arrive after 15:00.

Service Notice 721 contains, where available:

- the Record date, ex-dividend date, payment date and value date;
- the information on the financial instruments subject to the operation (ISIN, cum and ex coupons, and the applicable fiscal regime);
- the information on the mandated Paying Bank;
- information on the Issuer (identification, nationality, address and contacts);
- issuer's notes, in Italian and English.

Where the record date has not been specified by the Issuer, as such is assumed the Accounting day prior to the payment date.

Service Notices are sent to Intermediaries holding accounting positions in the financial instruments subject to the interest payments or capital redemption operation. The accounting positions are determined on the basis of balances registered in the Intermediaries' securities accounts the end of the trading day prior to the sending date of the Service Notice.

In the case that the accounting position develops subsequent to sending the Service Notices – but still within the Record Date – Monte Titoli will send the Service Notices on the day after the establishment of the position.

Service Notices will be sent using only the following communication methods:

- RNI message;
- native SWIFT message;
- MT-X message;
- e-mail.

Intermediaries can choose to receive Service Notice by more than one communications channel.

In the presence of balances on any of the accounts associated with them, Intermediaries will receive the Service Notice on the own account.

As an alternative, Intermediaries can request:

- to receive Service Notices independent of their accounting position in the financial instruments subject to the corporate action;

- to receive Service Notices directly on the account where the accounting position is credited.

4.5.3 Execution of the operation

In the presence of securities balance, Monte Titoli performs the operation and sends messages to beneficiaries Intermediaries and their Correspondent Banks as shown below:

- 2 working days before the date of payment: sending of provisional messages
- on the Record date: sending messages signaling the balance recorded. Any changes in the balance, are reported by sending a new message;
- on date of payment: after receiving funds from the foreign agent, Monte Titoli, orders the payment of the amounts to the Intermediaries, using the following methods:
 1. payments in Euro, within 15:30 to the RTGS or DCA accounts
 2. payments in other currencies, within 16:00 through the SWIFT system, to the cash accounts indicated by the Intermediaries

and will send the payment notification messages. It should be noted that the messages relating to payments in Euro are sent after receipt by Monte Titoli of the notice of successful settlement of funds from the T2 and T2S platforms, confirming that the Intermediaries' cash accounts have been credited.

4.5.4 Suspension of payment

Monte Titoli suspends payment and sends notification messages to the beneficiary Intermediary and to any Correspondent Bank if it fails to receive the funds from the Issuer CSD by the deadlines indicated at 4.5.3 paragraph.

4.5.5 Cancellation of payment

Monte Titoli cancels the payment and sends notification messages to the beneficiary Intermediary and to any Bank if the foreign institution indicates that the amounts to be paid will no longer be credited, or for their own operational reasons.

4.5.6 Value date of payments

The value date corresponds to the date of actual payment.

4.6 Payment of dividends (except for dividends on U.S. shares)

4.6.1 Announcements

On the basis of the information communicated by the Issuer CSD, Monte Titoli sends the intermediaries, which have made request, the Announcement concerning the dividend payments operation, within one working day from receiving the information.

4.6.2 System reporting

On receiving the final data from the Issuer CSD, Monte Titoli proceeds to insert the information in its System and to inform the Intermediaries participating in the System of the necessary operating instructions for interest payments or capital redemption, by means of Service Notices 721.

Any changes in operating instructions will be communicated by sending Service Notices 721.

Service Notices 721 are sent to Participants within one Accounting day from receiving the mandates or subsequent changes, except in the case of operational needs for Monte Titoli.

Service Notices 721 concerning mandates or any changes in mandates received by Monte Titoli close do the payment date (beginning from 3 days prior until the day prior to the payment date), will be sent:

- usually within the same Accounting day, if the mandates or changes arrive within 15:00;
- where possible, within the same Accounting day or the subsequent Accounting day, if the mandates or changes arrive after 15:00.

Service Notices are sent to Intermediaries holding accounting positions in the financial instruments subject to the dividend payments on the date Monte Titoli sends it.

In the case that the accounting position is credited following the sending of the Service Notices – but still within the Record Date – Monte Titoli will send the Service Notice message on the day after the establishment of the position.

Service Notices will be sent using only the following communication channel:

- RNI message;
- native SWIFT message;
- MT-X message;
- e-mail.

Intermediaries can choose to receive Service Notices by more than one communications channel.

In the presence of balances on any of the accounts associated with them, Intermediaries will receive the Service Notice on the own account.

As an alternative, Intermediaries can request:

- to receive Service Notices independent of their accounting position in the financial instruments subject to the corporate action;
- to receive Service Notices directly on the account where the accounting position is credited.

4.6.3 Account transfers

If they do not coincide with the foreign Record date, account transfers in the period between the ex-dividend date and the date on which balances are entered (final cum dividend settlement) are accounted for:

- *cum dividend* if transferred abroad
- without internal code *ex dividend* if transferred from a CSD that is not on T2S through the "ECXM" restriction. On the working day following the record date, the restriction will be removed by Monte Titoli.

If, in the period between the ex-dividend date and the date on which balances are entered, the latter date coincides with the foreign record date, the account transfers are accounted for on the com dividend indicator if transferred or received from abroad.

4.6.4 Instructions

No provision is made for instructions for collection, waiver or deferment of a dividend.

4.6.5 Execution of dividend payment

In the presence of securities balance, Monte Titoli performs the operation and sends messages according to the procedure to Intermediaries and their Collecting Banks as below:

- 2 business days preceding the payment date: sending provisional payment messages;
- on the record date: sending warning messages of the balance recorded. Any changes in the balance, such as by market claims, are reported by sending a new message;
- on the payment date: having received the funds from foreign correspondent, performs the payment of the amounts in favor of the Intermediaries as follows:
 1. payments in Euros: within 15:30 hours, on the RTGS accounts / DCA;
 2. payments in foreign currencies: within 16:00 hours, through SWIFT system, on cash accounts existing on your system.

and will send the payment notification messages. It should be noted that the messages relating to payments in Euro are sent after receipt by Monte Titoli of the notice of successful transaction from the T2 and T2S platforms, confirming that the Intermediaries' cash accounts have been credited.

4.6.6 Suspension of payment

Monte Titoli suspends payment and sends notification messages, by 17:00 CET, to the beneficiary Intermediary and to any Correspondent Bank if it fails to receive the funds from the Foreign CSD within times indicated at paragraph 4.6.5.

4.6.7 Cancellation of payment

Monte Titoli cancels the payment and sends notification messages, by 17:00 CET, to the beneficiary Intermediary and to any Correspondent Bank if the Foreign CSD indicates that the amounts to be paid will no longer be credited, or for their own operational reasons within times indicated in paragraph 4.6.5.

4.6.8 Value date of payments

The value date corresponds to the date of actual payment.

4.6.9 Market claim

Dividend market claims arise from operations processed and settled in a different manner (e.g. cum dividend treatment and ex dividend treatment) at the moment at which corporate actions take place.

Monte Titoli, acting on instructions issued by and on the initiative of the Issuer CSD, proceeds to:

- pay the credits received to the accounts indicated in article 4.6.6 and sends the message RNI 097 "Notification of credit";
- recover the debts incurred from the accounts indicated at point 1 of article 4.6.6 and sends the message RNI 097 'Notification of debit. For currencies other than the Euro, repayment of the amount is required to the intermediary and if it fails within the period specified in the request, Monte Titoli is entitled to charge the amount in Euro, using the exchange rate for the currency in question indicated on the Bank of Italy's website on the accounting day of the market claim.

4.7 Payment of dividends on US shares

4.7.1 Announcements

On the basis of the information communicated by the Issuer CSD, Monte Titoli sends the intermediaries, which have made request, the Event Announcement concerning the dividend payments operation, within one day from receiving the information.

4.7.2 System reporting

On receiving the final data from the Issuer CSD, Monte Titoli proceeds to insert the information in its System, and to inform the Intermediaries participating in the System of the necessary operating instructions for the dividend payments, by means of Service Notices 721.

Any changes in operating instructions will be communicated by sending Service Notices 721.

Service Notices 721 are sent to Participants within the next Accounting day from receiving the mandates or subsequent changes in mandates, except in the case of operational needs for Monte Titoli.

Service Notices 721 concerning mandates or any changes in mandates received by Monte Titoli close to the payment date (beginning from 3 days prior until the day prior to the payment date), will be sent:

- usually within the same Accounting day, if the mandates or changes arrive within 15:00;
- where possible, within the same Accounting day or the subsequent Accounting day, if the mandates or changes arrive after 15:00.

Service Notices are sent to Intermediaries participating in the System holding accounting positions in the financial instruments subject to the dividend payments on the date Monte Titoli sends it.

In the case that the accounting position develops subsequent to sending the Service Notices – but still within the Record Date – Monte Titoli will send the Service Notices on the day after the establishment of the position.

Service Notices will be sent using only the following communication channel:

- RNI message;
- native SWIFT message;
- MT-X message;
- e-mail.

Intermediaries can choose to receive Service Notices by more than one communications channel.

In the presence of balances on any of the accounts associated with them, Intermediaries will receive the Service Notice on the own account.

As an alternative, Intermediaries can request:

- to receive Service Notices independent of their accounting position in the financial instruments subject to the corporate action;
- to receive Service Notices directly on the account where the accounting position is credited.

4.7.3 Account transfers

If they do not coincide with the foreign Record date, account transfers in the period between the ex-dividend date and the date on which balances are entered (final cum dividend settlement) are accounted for:

- *cum dividend* if transferred abroad
- without internal code *ex dividend* if transferred from a CSD that is not on T2S through the of "ECXM" restriction. On the working day following the record date, the restriction will be removed by Monte Titoli.

If, in the period between the ex-dividend date and the date on which balances are entered, the latter date coincides with the foreign record date, the account transfers are accounted for on the com dividend indicator if transferred or received from abroad.

4.7.4 Documentation

Participants in the System must send Monte Titoli the latest available version of the following forms according to the USA regulation on force:

The forms are necessary for Monte Titoli to identify each securities account, the tax liability of each Intermediary, the category of each beneficiary, and to receive dividend collection instructions.

In the absence of the forms indicated, Monte Titoli will calculate the dividend net of the maximum foreign withholding rate applicable on the date of payment.

For a more detailed description, see the following section "Fiscal services on financial instruments issued under foreign law".

4.7.5 Instructions

Participants must send collection instructions using the appropriate electronic messages.

In the absence of instructions, exclusively for third party/settlement agent accounts, Monte Titoli will calculate the dividend net of the maximum foreign withholding rate applicable on the date of payment.

4.7.6 Execution of the operation

In the presence of securities balance, Monte Titoli performs the payments and sends messages according to the procedure to Intermediaries and their Collecting Banks as below:

- 2 business days preceding the payment date: sending provisional payment messages;
- record date: sending warning messages of the balance recorded.
Any changes in the balance, such as by market claims, are reported by sending a new message;
- payment date: received the funds from foreign correspondent, performs the payment of the amounts, within 16:00 hours, through SWIFT system, on the cash accounts existing on its system and sends notification message of payment.

4.7.7 Value date of payments

The value date corresponds to the date of actual payment.

4.8 Dividend payment with option

4.8.1 Information to the system

After receiving notification messages from the Issuer CSD, Monte Titoli sends to the Intermediaries two distinct Service Notice, one relating to the detachment of the right (RHDI) and one relating to the exercise of the right (DVOP or DRIP).

The Service Notice are sent to Intermediaries who hold balances on the financial instruments on the date the Notice Service are sent. For Intermediaries whose accounting position is subsequently established, the Service Notice are sent starting from the day following the establishment of the balance, up to the record date (inclusive) for the detachment of the right and until the business day preceding the end date for sending the instructions to exercise the option (RDDT-1). If the transaction involves two separate RDDTs for the exercise of the option other than the default option and one for the exercise of the default option, the Service Provisions report both dates.

4.8.2 Account transfers

If they do not coincide with the foreign record date, account transfers in the period between the ex-dividend date and the date on which balances are entered (final cum dividend settlement) are entered in the following manner:

- *cum dividend* if transferred abroad;
- *ex dividend* if transferred from a CSD that is not on T2S thought the ECXM 'restriction'. The following business day to the registration data of the balance, the restriction will be removed by Monte Titoli.

If, in the period between the ex-dividend date and the date on which balances are entered, the latter date coincides with the foreign record date, the account transfers are accounted for on the com dividend indicator if transferred or received from abroad.

4.8.3 Recording of balances

At the registration date, the system records the account balance of financial instruments and sends the notification message to Intermediaries.

This balance represents the amount of the shares entitled to the operation.

4.8.4 Blocking of ISIN and payment of entitlements

If the DVOP event has the same instruction deadlines for options with instructions and for default options, once the "RDDT" has been reached, Monte Titoli will block the ISIN of the entitlement.

The block will be notified to the Intermediaries by the appropriate message.

If the event has different instruction deadlines for options with instructions and for default options, Monte Titoli will block the balances on "RDDT2" and the entitlement on "RDDT2" respectively.

The blocks will be notified to the Intermediaries by the appropriate messages.

4.8.5 Crediting of Rights

In order to allow the exercise of the option, the first business day following the date of registration of the balances, Monte Titoli credits on the securities account of the Intermediaries the rights received by Issuer CSD and represented by a specific ISIN code (cd interim security).

4.8.6 Sending of instructions

The Intermediaries can send the instructions for exercising the option by the date (RDDT) and the time specified in the Service Notice related to the exercise of the right (DVOP or DRIP). If the deadline for sending the instructions (RDDT) is not known, the instructions sent by the Intermediaries are rejected until the end date has been communicated by the issuer or by the Issuer CSD.

In the absence of instructions, Monte Titoli exercises the default option envisaged by the event and communicated by the Issuer CSD. The instructions sent on the default option are rejected.

Monte Titoli produces the notification messages related to the instructions received and for the default option to be executed.

Is the responsibility of the Intermediaries to verify that :

- the instructions sent are received by Monte Titoli
 - Instruction sent are equivalent to balance of rights to perform them.
- Where this is not the case Monte Titoli will process the instructions up to the amount of the balance;

Monte Titoli carries out checks on the quantity indicated in the operating instructions only at the end of the period, i.e. after the expiry date for sending the instructions for exercising the right (RDDT).

4.8.7 Execution of the operation

Monte Titoli sends messages provided to the Intermediaries and Correspondent Banks as reported below:

- from 5 days before the end date for the exercise of the option or option other than the default option (if any), Monte Titoli sends the "MT564 Reminder" message to intermediaries who have not yet sent operating instructions for the entire amount of the balance held and the Intermediaries who have sent instructions for a total exceeding the balance on the rights;
- at the end of the date for the exercise of the option (RDDT): sending forward-looking messages 7B2 (or SWIFT MT564 REPE) relating to the instructions sent or automatically generated to the default option;

- at the closing date of the operation (market deadline): sending of the 7B2 messages (or SWIFT MT564 REPE or REPE CAPA) relating to the instructions sent or automatically generated for the default option.

For Intermediaries who choose the option to pay the dividend in securities gross of the foreign withholding tax and in Euro, Monte Titoli proceeds with the debit of the cash accounts on the RTGS / DCA accounts of the Intermediaries. For Intermediaries who choose the option to pay the dividend in securities gross of foreign withholding tax and in currencies other than the Euro, the method of crediting the cash to the Monte Titoli technical account indicated is in Service provision (DVOP or DRIP).

- At the date of the dividend (cash) payment: after receiving funds from the foreign agent, Monte Titoli, orders the payment of the amounts to the Intermediaries, using the following methods:

1. payments in Euro by 15:30 hours to the RTGS accounts in TARGET 2 or DCA in T2S indicated by the Intermediaries
2. for payments in other currencies by 16:00 hours, through the SWIFT system, to the cash accounts existing in the system
3. proceeds to send the final messages of payment;
4. debiting of the rights.

- At the date of dividend (stock) payment: having received the securities originating from foreign correspondent:

1. Crediting of rights
2. Crediting of deriving securities

The amount to be paid is equal to the "fee-at-frontier" amount, i.e. the amount of the dividend resolved by the Issuer net of the foreign withholding tax applied at source.

4.8.8 Suspension of payment

Monte Titoli suspends payment and sends notification messages to the beneficiary Intermediary and to any Correspondent Bank if it fails to receive the funds from the Issuer CSD by the deadlines indicated at paragraph 4.8.7.

4.8.9 Cancellation of payment

Monte Titoli cancels the payment and sends notification messages to the beneficiary Intermediary and to any Correspondent Bank if the foreign institution indicates that the amounts to be paid will no longer be credited, or for their own operational reasons within times indicated at paragraph 4.8.7.

4.8.10 Value date of payments

The value date corresponds to the date of actual payment.

4.8.11 Dividend market claim

Dividend market claims arise from operations processed and settled in a different manner (e.g. cum dividend treatment and ex dividend treatment) at the moment at which corporate action takes place. Monte Titoli proceeds to credit or debit the rights on the securities accounts of the Participants for settlement operations reported by the Issuers CSD that determined the Market Claim.

4.9 Increase in share capital (bonus right)

4.9.1 System reporting

On receiving the final data from the Issuer CSD, Monte Titoli proceeds to insert the information in its System and to inform the Intermediaries participating in the System of the necessary operating instructions for crediting the rights and exercising the option by means of two different Service Notices, containing the same special operation number and a cross reference between the number of the Service Notice for rights crediting and the Service Notices option exercising.

Any changes in operating instructions will be communicated by sending Service Notices 722.

Service Notices 722 are sent to Participants within one Accounting day from receiving the mandates or subsequent changes, except in the case of operational needs for Monte Titoli.

Service Notices 722 concerning mandates or any changes in mandates received by Monte Titoli close to the payment date (beginning from 3 days prior until the day prior to the payment date), will be sent:

- usually within the same Accounting day, if the mandates or changes arrive within 15:00;
- where possible, within the same Accounting day or the subsequent Accounting day, if the mandates or changes arrive after 15:00.

Service Notices 722 are sent to Intermediaries holding accounting positions in the financial instruments subject to the dividend payments on the date Monte Titoli sends them.

Service Notices 722 will be sent using only the following communication channel:

- RNI message;
- native SWIFT message;
- MT-X message;
- e-mail.

Intermediaries can choose to receive Service Notices by more than one communications channel.

In the presence of balances on any of the accounts associated with them, Intermediaries will receive the Service Notice on the own account.

As an alternative, Intermediaries can request:

- to receive Service Notices independent of their accounting position in the financial instruments subject to the corporate action;
- to receive Service Notices directly on the account where the accounting position is credited.

4.9.2 Account transfers

If they do not coincide with the foreign record date, account transfers in the period between the ex-dividend date and the date on which balances are entered (final cum dividend settlement) are entered in the following manner:

- *cum right* if transferred abroad
- *ex right* if transferred from a CSD that is not on T2S through the "ECXM" apposition. The following business date of record balances, the restriction will be removed by Monte Titoli.

If, in the period between the ex-dividend date and the date on which balances are entered, the latter date coincides with the foreign record date, the account transfers are accounted for on the cum right indicator if transferred or received from abroad.

4.9.3 Recording of balances

On the record date, the System records the accounting balance of financial instruments present in the securities accounts of the Intermediaries and sends the correspondent notification messages.

This balance represents the quantity of shares with stock dividend rights.

4.9.4 Crediting of rights

In order to allow option exercise, the first day following the day of recording balances, Monte Titoli credits the allotment rights received from the Issuer CSD and represented by a specific ISIN code (the so-called interim security) on the securities account of the Intermediaries

4.9.5 Exercising Instructions

For increase of capital in share with right not traded on the market, it is not normally necessary to send instructions, as Monte Titoli proceeds to exercise the rights on its own initiative.

For increase of capital in share with right traded on the market, Intermediaries shall send instructions by the date specified in the Service Notice. In absence of specific instructions Monte Titoli will not exercise any option.

Is the responsibility of the Participant to verify that :

- the instructions sent are received by Monte Titoli

- instruction sent are equivalent to balance of rights to perform them. Where this is not the case Monte Titoli will process the instructions up to the amount of the balance;

4.9.6 Execution of the operation

After the Issuer CSD credited financial instruments, Monte Titoli performs the operation by debiting the rights and crediting the resulting financial instruments to the accounts of the Intermediaries. The financial instruments resulting from the operation are immediately available.

Monte Titoli sends message 7B2 to beneficiary Intermediaries, confirming that the financial instruments resulting from the operation have been credited to the relevant accounts.

4.9.7 Residual rights

Monte Titoli, on its own initiative, removes any residual rights from the Intermediaries' accounts.

4.9.8 Market claims

The Market claims arise from transactions processed and settled in a different way (eg. traded cum dividend and settled dividend ex) on the Record date of the corporate action.

Monte Titoli shall credit or debit the rights to the securities accounts of the Participants for the transactions reported by the Issuer CSD settlement that resulted in a Market claim.

4.10 Paid increase in share capital

4.10.1 System reporting

On receiving the final data from the Issuer CSD, Monte Titoli proceeds to insert the information in its System and to inform the Intermediaries participating in the System of the necessary operating instructions for crediting the rights and exercising the option by means of two different Service Notices, containing the same special operation number and a cross reference between the number of the Service Notice for rights crediting and the Service Notices option exercising.

Any changes in operating instructions will be communicated by sending Service Notices 722.

Service Notices 722 are sent to Participants within one Accounting day from receiving the mandates or subsequent changes, except in the case of operational needs for Monte Titoli.

Service Notices 722 concerning mandates or any changes in mandates received by Monte Titoli close do the payment date (beginning from 3 days prior until the day prior to the payment date), will be sent:

- usually within the same Accounting day, if the mandates or changes arrive within 15:00;
- where possible, within the same Accounting day or the subsequent Accounting day, if the mandates or changes arrive after 15:00.

Service Notices 722 are sent to Intermediaries holding accounting positions in the financial instruments subject to the dividend payments on the date Monte Titoli sends them.

Service Notices will be sent using only the following communication channel:

- RNI message;
- native SWIFT message;
- MT-X message;
- e-mail.

Intermediaries can choose to receive Service Notices by more than one communications channel.

In the presence of balances on any of the accounts associated with them, Intermediaries will receive the Service Notice on the own account.

As an alternative, Intermediaries can request:

- to receive Service Notices independent of their accounting position in the financial instruments subject to the corporate action;
- to receive Service Notices directly on the account where the accounting position is credited.

4.10.2 Account transfers and entry of balances

If they do not coincide with the foreign record date, account transfers in the period between the ex-dividend date and the date on which balances are entered (final cum settlement) are entered in the following manner:

- cum right if transferred abroad
- ex right if transferred from a CSD that is not on T2S through the the ECXM "restriction" on the business day following the record date of balances, the restriction will be removed by Monte Titoli.

If, in the period between the ex-dividend date and the date on which balances are entered, the latter date coincides with the foreign record date, the account transfers are accounted for on the cum right indicator transferred or received from abroad.

4.10.3 Recording of rights balances

On the record date, the System records the available balance of financial instruments present in the securities accounts of the Intermediaries and sends the correspondent notification messages.

This balance represents the quantity of shares to be taken into account for the crediting of the right

4.10.4 Accredito diritti

In order to allow option exercise, the first day following the day of recording balances, Monte Titoli credits the allotment rights received from the Issuer CSD and represented by a specific ISIN code (the so-called interim security) on the securities account of the Intermediaries.

4.10.5 Countervalue instructions and payment

To participate in the operation, Intermediaries send the instructions and pay the countervalue for subscribed financial instruments by the dates specified in the Service Notice.

In the absence of instructions, no right is credited.

Is the responsibility of the Participant to verify that :

- the instructions sent are received by Monte Titoli
- instruction sent are equivalent to balance of rights to perform them. Where this is not the case Monte Titoli will process the instructions up to the amount of the balance;
- Funds are available for direct debit by Monte Titoli or on the account specified in the Service Notice

4.10.6 Execution of the operation

After the Issuer CSD has made the credit, Monte Titoli performs the operation by debiting the rights and crediting the resulting financial instruments to the accounts of the Intermediaries.

The financial instruments resulting from the operation are immediately available.

Monte Titoli sends to intermediaries the notification messages related to the debit of rights and credit of the outturn.

4.10.7 Residual rights

Monte Titoli on its own initiative, removes any residual rights from the Intermediaries' accounts.

4.10.8 Market claim

The Market claims arise from transactions processed and settled in a different way (eg. traded *cum dividend* and settled *ex dividend*) when the corporate action intervene.

Monte Titoli provides to credit or to charge the rights on the securities accounts of Participants for the settlement operations reported by the Issuer CSD that determined a Market Claim

4.11 Exercise of warrants

4.11.1 Disclosure System

Received the final data from the Issuer CSD, Monte Titoli provides the entering of information in your system and communicates to Intermediaries participating in the system operating instructions necessary for the exercise by arrangement service.

Any changes in the operating instructions will be communicated by sending Service Provisions.

The provisions of the Service are sent to Unitholders by the Accounting day following that of the receipt of assignments or subsequent changes, subject to any operational requirements of Monte Titoli.

The provisions relating to tasks of service or any changes thereof received by Monte Titoli close to the date of payment (from 3 days prior to the day preceding the date of payment), will be sent:

- Usually within the same day accounting, if the assignments or any changes are received no later than 15:00;
- If possible in the same day or in Accounting day later, if the assignments or any changes are received after 15:00.

The provisions of the service are sent to intermediaries who hold positions accounting on financial instruments affected by the increase in capital at the date of sending by Monte Titoli.

Provisions of the service will be sent using only the following communication channels:

- message RNI;
- message native Swift;
- message MT-X;
- email.

Intermediaries can choose to receive simultaneously the Service Provisions also through multiple communication channels.

In the presence of balances on any of the accounts associated with them, Intermediaries will receive the Service Provisions on the income property.

Alternatively intermediaries may require:

- always receive provisions of service, regardless of the accounting position on financial instruments affected by the company;
- receive provisions of service directly to the account from which this balance.

4.11.2 Instructions and payment equivalent

- Intermediaries to participate in the operation, send the instructions and pay the equivalent for financial instruments entered into, by the dates and in the manner specified in the provision of service.

In the absence of instructions will not be exercised any warrants.

Is responsibility of the Participant to verify that:

- The message instruction is correctly received by Monte Titoli;
- For instructions sent there is sufficient balance of warrants to exercise them. Failing Monte Titoli will execute the instructions up to the available balance of warrants;
- The equivalent is available for direct debit by Monte Titoli or paid cash account specified in the Service Provision..

4.11.3 Execution of the operation

Monte Titoli, after receiving financial instruments of the Issuer CSD, performs the operation warrants charging and crediting the shares obtained on the accounts of intermediaries.

The financial instruments resulting from the operation are immediately available.

Monte Titoli sends Intermediaries beneficiaries posts by confirmation of the charge of warrants and accreditation of financial instruments deriving from the transaction.

4.11.4 Warrants not exercised (last period)

Monte Titoli on its own initiative credits residual warrants not exercised by the counts of Intermediaries, only after the debit recorded by the Issuer CSD.

4.12 Other capital operations

4.12.1 System reporting

On receiving the final data from the Issuer CSD, Monte Titoli proceeds to insert the information in its System and to inform the Intermediaries participating in the System of the necessary operating instructions by a Service Notice.

No report is issued if the operations are prohibited in Italy or restrictions exist that do not allow Monte Titoli to issue any type of documentation.

4.12.2 Account transfers and entry of balances

In the period between the ex-date and the date on which balances are recorded, if the latter is not subsequent with the foreign Record date, account transfers are entered:

- cum where transferred.
- ex where received from abroad. For transfers made with CSDs that are not on the T2S platform, Monte Titoli shall apply the "ECXM" restriction. On the business day following the date of the registration date, the restriction will be removed by Monte Titoli on its initiative.

Securities transfers - in the period between the ex-date and the balance record date if the latter coincides with the foreign Record date - are entered as *cum* if transferred or received from abroad.

4.12.3 Exercising Instructions

Intermediaries must send instructions for the purpose of participating to the corporate action rights by the date specified in the Service Notice and shall pay the correspondent amount for financial instruments within the timing set in the Service Notice.

Is responsibility of the Participant to verify that:

- The message instruction is correctly received by Monte Titoli;
- For instructions sent there is sufficient balance of warrants to exercise them. Failing Monte Titoli will execute the instructions up to the available balance of warrants;
- The equivalent is available for direct debit by Monte Titoli or paid cash account specified in the Service Notice.

4.12.4 Execution of the operation

Having received cash and/or financial Instrument from Issuer CSD, Monte Titoli process the corporate action by debiting the rights and crediting the resulting financial instruments to the accounts of the Intermediaries. The financial instruments resulting from the operation are immediately available.

Monte Titoli sends the beneficiary Intermediaries messages confirming the debiting and crediting of the financial instruments deriving from the transaction.

4.13 Management of fractions

If, in the context of a corporate event involving the application of the exchange ratio, the Issuer CSD credits the Monte Titoli account with a whole number of financial instruments that exceeds the number of financial instruments due to each intermediary, Monte Titoli proceeds to crediting the excess securities in the accounts of the Intermediaries in descending order starting from the Intermediary whose balance deriving from the event report has the highest decimal value.

If the corporate event provides for the monetization of the fractions, Monte Titoli charges the Intermediaries who received a credit of securities greater than the amount due an amount corresponding to the difference between the number of financial instruments credited in excess and the fraction due to financial instruments.

5 FISCAL SERVICES

5.1 Fiscal Assistance Service on the Italian market

5.1.1 Taxes that are the subject of the service

Monte Titoli provides fiscal assistance services in relation to the following cases:

- a) income taxes that can be subject to the regime under legislative decree no. 239/1996 (deriving from bonds and similar securities);
- b) income taxes that can be subject to the regime under articles 27-bis and 27-ter of Presidential Decree no. 600/1973 (deriving from shares and similar financial instruments);
- c) income taxes that can be subject to the regime under the combined provision of legislative decree no. 461/1997 and legislative decree no. 239/1996 and no. 600/1973 (deriving from capital gains, differentials and other income).

5.1.2 Fiscal assistance pursuant to legislative decree 239/1996

5.1.2.1 Role of Monte Titoli

Monte Titoli may operate on behalf of the Intermediaries not residing in Italy which qualify as second level banks according to the procedure under article 7 of legislative decree 239/1996 and Ministerial Decree 632/1996. To this end the Intermediaries must send the official communication to the Revenue Agency (form 118/IMP), with which the Intermediary declares to be a 2nd Level Bank and specifies Monte Titoli as its fiscal representative in Italy, for the bond portfolio. -

In other cases Monte Titoli provides support to Participant in relation to the taxation-related processes described in the following paragraphs, with the exception of tax payments, corrective communications to the Revenue Agency and the management of the Tax Authority requests pursuant to paragraphs 5.2.2.6, 5.2.2.7 and 5.2.2.8.

5.1.2.2 Structure of the accounts

To correctly apply the tax, Participants must deposit in separate accounts the securities belonging to the following categories of subjects:

- non-resident exempt customers;
- not resident non-exempt customers;

- Italian customers individuals;
- Italian customers legal entities;
- other types of customer.

Participants communicate to Monte Titoli the accounts associated to each category of subjects.

5.1.2.3 Acquisition of information relating to Participants and their customers

Participants communicate, via the Fiscal Platform, the details of the subjects exempt from the substitute tax pursuant to article 6 of legislative decree 239/1996 and in particular the following information:

- a) fiscal code of the exempt subjects;
- b) self-certification form for exempt subjects prepared by the Revenue Agency;
- c) reports containing the identification data of the exempt subjects.

The information must be sent by following the procedures described in the Manual of the Fiscal Services and according to the terms agreed upon admission to the Service.

Notwithstanding the responsibility of Participants for the veracity and correctness of the information communicated, Monte Titoli checks the completeness of the information under letters a), b) and c).

If the information communicated by Participant is incomplete, Monte Titoli notifies Participant of the request to integrate the information.

In case Participants do not provide all the information required by the terms agreed upon admission to the Service, Monte Titoli will apply the maximum rate set.

Participants are obliged to update the communicated information in case of changes that affect the qualification of the subject for fiscal purposes

5.1.2.4 Application of the tax pursuant to legislative decree 239/1996

To correctly apply the tax under legislative decree 239/1996, Monte Titoli acquires information relating to:

- interest payment and capital redemption transactions on bonds;
- sales contracts (including portfolio transfers and clearance operations).

Interest payment and capital redemption transactions

Monte Titoli processes the interest payment and capital redemption transactions, acquiring the information relating to the amounts received by Participants and their customers via the Central Securities Depository Service.

Sale and purchase of bonds

With reference to the sale or purchase of bonds, Participants are obliged to send a daily report containing the statement of the transactions settled on behalf of the customers, including the internal transfers to participating accounts.

The report specifies among other items:

- the identification of the exempt subject (TAX ID);
- the type of transaction (e.g. purchase or sale etc.).

Monte Titoli checks the completeness of the data included in the report. If the check has a negative outcome, Participant receives a notification for the necessary integrations. Based on the information acquired, Monte Titoli:

- accounts on a daily basis the transactions pertaining to the exempt subject (identified via the TAX ID);
- accounts on a daily basis the charges and any tax credits in the so-called "Single Account" of the non-exempt subjects.

5.1.2.5 Calculating the tax

Based on the accounting evidence recorded upon occurrence of the events under the previous paragraph, Monte Titoli:

- calculates the tax applicable to the non-exempt subjects;
- compiles the accounting file for the exempt subjects.

The tax is calculated by applying the *Pro rata temporis* criterion.

5.1.2.6 Paying the tax

On the 12th business day of the month for which the payment of the tax is due, Monte Titoli carries out the clearing of the credit and debit positions recorded in the Single Account. If there is a debit balance, it communicates the amount due to the Tax Authority to Participant and charges Participant's account for a corresponding amount. If there is a credit balance, this is carried forward to the balance of the Single Account for the next calendar month.

On the day prior to the date scheduled for the payment of the tax, in case of failed replenishment Monte Titoli enforces the guarantees provided by Participant pursuant to the Service Regulations.

Within the sixteenth day of each month, Monte Titoli pays the Revenue Agency the amounts due in relation to the events accounted for in the previous calendar month and makes the related declarations.

5.1.2.7 Corrective communications to the Revenue Agency

By 31 March and 30 September of each year, Monte Titoli makes any corrective communications regarding the declarations made when paying the Revenue Agency, containing the information relating to the income not subject to substitute tax received in the previous calendar half-year by non-resident subjects, according

to the methods specified in the Measure of the Director of the Revenue Agency on 26 September 2002.

5.1.2.8 Management of the Tax Authority requests

Monte Titoli communicates the requested information to the Tax Authority and in particular any news or document that is useful to identify the amounts paid without the application of the substitute tax and the related collectors.

5.1.3 Fiscal assistance pursuant to Presidential Decree 600 / 1973

5.1.3.1 Role of Monte Titoli

Monte Titoli may operate in its capacity as representative on behalf of the Intermediaries that are non-resident for the purpose of applying the substitute tax (based on the maximum or reduced rate) or the exemption under Presidential Decree no. 600/1973.

In other cases Monte Titoli provides support to Participant in relation to the taxation-related processes described in the following paragraphs, with the exception of tax payments and the management of the Tax Authority requests pursuant to paragraphs 5.1.3.4 and 5.1.3.5

5.1.3.2 Acquisition of Information

To correctly apply the tax, Participants must deposit in separate accounts the securities belonging to the categories of subjects referred to in paragraph 5.2.2.3, without prejudice to the segregation for exempt non-resident customers. Participants communicate to Monte Titoli the accounts associated to each category of subjects.

Participants are obliged to send the following information via the Fiscal Platform:

- a) certificate of residence, where applicable;
- b) forms for the application of the reduced rate or the exemption;
- c) reports containing the identification data of the subjects benefiting from the rate.

The information must be sent by following the procedures described in the Manual of the Fiscal Services and according to the terms agreed upon admission to the Service.

Notwithstanding the responsibility of Participants for the veracity and correctness of the information communicated, Monte Titoli checks the completeness of the information under letters a), b) and c).

If the information communicated by Participant is incomplete, Monte Titoli notifies Participant of a request to integrate the information.

In case Participants do not provide all the information required by the terms agreed upon admission to the service, Monte Titoli will apply the maximum rate set.

Participants are obliged to update the information communicated in case of changes that affect the qualification of the subject for fiscal purposes.

5.1.3.3 Application of the tax pursuant to legislative decree 600/1973

In its capacity as fiscal representative Monte Titoli manages the application of the tax relating to the payment of dividends on shares.

Within the payment date, Participants that held shares in third-party-omnibus accounts at Monte Titoli as of the Record Date, are obliged to send a report via the Fiscal Platform containing the quantity of shares belonging to each customer and the corresponding applicable rate.

Participants use a special report to communicate any change in the accounting position of their customers deriving from exercising an option as part of a corporate operation.

Monte Titoli performs the reconciliations between these reports and balances in the Central Securities Depository Service. In case of failed reconciliation, Participant must send a new report by the terms specified in the Fiscal Services Manuals.

In case of failed communication of the reports requested the maximum rate will be applied.

If Participant holds shares in accounts dedicated to a single customer, only the applicable rate - and not the communication of the report - is requested.

Participants may ask to defer the payment of the dividend according to the methods set by the Central Securities Depository Service. In this case Participant must send a suitable report, via the Fiscal Platform, which states the positions of its customers for which the suspension of the payment is requested. The deferment requests must be received by Monte Titoli by 16:00 on the Record Date.

Participants are obliged to send the relevant documentation for the part of the deferred dividend payment within the new payment date.

Monte Titoli processes the dividend payment operations via the Central Securities Depository Service. Notwithstanding paragraph 3.6.5 of the Instructions, Monte Titoli settles the dividends towards the Intermediaries for which it operates as representative pursuant to Presidential Decree 600/1973 net of the tax applicable.

The amount held for tax purposes is credited to the DCA account in T2S or RTGS in TARGET 2 of Monte Titoli, depending on the dividend payment method selected by Participant.

Participants may also change reports following the payment operation and until the twelfth day of the calendar month following the one when the dividend was paid.

If credit positions in favour of subjects that benefit from the reduced rate emerge following these changes, Monte Titoli carries out the reversal of the payment previously made and re-credits the correct amount according to the supplementary information sent by Participant.

5.1.3.4 Paying the tax

Within the sixteenth day of each month, Monte Titoli pays the Revenue Agency the amounts due in relation to the events accounted for in the previous calendar month.

5.1.3.5 Management of the Tax Authority requests

Monte Titoli communicates the requested information to the Tax Authority and in particular any news or document that is useful to identify the amounts paid without the application of the substitute tax and the related collectors.

5.1.4 Fiscal assistance pursuant to legislative decree 461 / 1997

5.1.4.1 Role of Monte Titoli

Monte Titoli may operate in its capacity as representative on behalf of the Intermediaries that are non-resident that have expressly renounced the application of the "amministrato" fiscal regime for the purpose of applying the "dichiarato" regime under article 6 of legislative decree 461/1997.

In other cases Monte Titoli provides support to Participant in relation to the taxation-related processes described in the following paragraphs, with the exception of tax payments, the obligations and the management of the Tax Authority requests pursuant to paragraphs 5.1.4.6, 5.1.4.7 and 5.1.4.8.

5.1.4.2 Structure of the accounts

Pursuant the Service Regulations, Participants must deposit in separate accounts the securities belonging to the following categories of subjects:

- non-resident exempt customers;
- non-resident non exempt customers;
- Italian costumers individuals;
- Italian customers legal entities;
- other types of customer.

Participants communicate to Monte Titoli the accounts associated to each category of subjects.

5.1.4.3 Acquisition of information

Participants communicate the following information to Monte Titoli via the Fiscal Platform:

- a) certificate of residency, to be renewed every year;
- b) forms prepared by the Revenue Agency for the application of the tax or exemption;
- c) reports containing the identification data of the exempt subjects;

The information must be sent according to the procedures described in the Fiscal Services Manual and according to the terms agreed upon admission to the Service.

Notwithstanding the responsibility of Participants for the veracity and correctness of the information communicated, Monte Titoli checks the completeness of the information under letters a), b) and c).

If the information communicated by Participant is incomplete, Monte Titoli notifies Participant of the request to integrate the information.

In case Participants do not provide all the information required by the terms agreed upon admission to the service, Monte Titoli will apply the maximum rate set.

Participants are obliged to update the communicated information in case of changes that affect the qualification of the subject for fiscal purposes.

5.1.4.4 Management of the tax pursuant to legislative decree 461/1997

Monte Titoli manages the application of the substitute tax relating to the capital gains, differentials and other income deriving from transactions or corporate operations as defined by the fiscal legislation applicable (Consolidated Law on Income Tax).

Corporate operations

Monte Titoli processes the corporate operations by acquiring the information relating to the countervalues of the financial instruments, necessary for the calculation of the tax via the Central Securities Depository Service.

Sale and purchase of financial instruments

Participants send Monte Titoli a daily report of the transactions settled for each account via the Fiscal Platform.

The report specifies among other items:

- the identification of the subject (TAX ID);
- the type of transaction (e.g. purchase or sale etc.).

Monte Titoli checks the completeness of the data included in the report. If the check provides a negative outcome, Participant receives a notification for the necessary corrections.

Based on the information acquired, Monte Titoli records the transactions pertaining to the non-resident subject on a daily basis (identified via the TAX ID) based on the applicable regime (administered or declared or exempt).

In the case of exempt subjects the transactions are included in a report for the purpose of compiling the annual declaration (Model 770).

5.1.4.5 Reporting regime

In case of reported regime, Monte Titoli, according to the time limits laid down by law, issues the certifications regarding the amount of the taxable miscellaneous income of a financial nature received by non-resident subjects.

5.1.4.6 Management of the Tax Authority requests

Monte Titoli communicates the requested information to the Tax Authority and in particular any news or document that is useful to identify the amounts paid without the application of the tax and the related collectors.

5.2 Tax Services on financial instruments of foreign law

5.2.1 Tax Service for the US market

5.2.1.1 Role of Monte Titoli

Monte Titoli acts as Qualified Intermediary with Full Responsibility under the Foreign Account Tax Compliance Act and related provisions and implementation agreements, to which reference is made for the interpretation and meaning of the definitions contained in this section.

To this end, Monte Titoli is registered as Deemed Compliant Entity with the following GIIN (Global Intermediary Identification Number):

4FK4AX.00008.ME.380

5.2.1.2 Obligations of Participants in the service

Upon registration in behalf of US securities, the participants in the central depository system shall immediately:

document the level of responsibility assumed towards the International Revenue Service (IRS) or identify themselves as Not Qualified Intermediary (NQI);
b) according to the declared level, identify their underlying accounts and beneficiaries, in the manner described below.

5.2.1.3 Subject of the service

In compliance with the applicable legislation, Monte Titoli:

- a) identifies the accounts of its customers, on which are held US securities, acquiring the necessary forms;
- b) operates as withholding and reporting agent, against participant and IRS, based on the level of responsibility assumed by the Participants;

Participants "Full Responsibility"

Monte Titoli does not act as withholding or reporting agent and all obligations are borne by the Participant. The payments are arranged before and you make no reporting activities.

Monte Titoli proceeds solely to the identification of the participants in that category by requiring:

- The Form W8-BEN E (for the account properties) and / or the form W8-IMY (for third-party accounts)
- The form W9

Participants NRA (Non Resident Alien) Responsibility

Monte Titoli acts as withholding agent does not perform deductions (performing deductions) but certifies the recognized gross and reporting agent limited to non-US investors, also pays the gross amount to certified US investors, and collects from the participant, by sending:

- electronic copy of The Form W8-BEN E (for the account properties) and/or **of** the form W8-IMY (for third-party accounts) by the Participant;
- the payment instruction by tax rate through RNI 704 (for dividends);
- the payment instruction via MT550 form (for bonds);
- the withholding statements for the accounts of Participant;
- electronic copy of the forms certificates of US investors (W9 form).

Monte Titoli makes payment of gross proceeds to the beneficiaries not US (because the responsibility of withholding is charged to the customer) and for US beneficiaries not documented and receives instructions, always from the customer to pay the documented US beneficiaries.

Monte Titoli performs the reporting of payments distributed gross to non-US beneficiaries via 1042S form, the reporting made to documented beneficiaries only to US IRS, is made using the form in 1099 and only in the case of non-exempt entity (individuals).

Participants "US residents responsibility"

Monte Titoli acts as withholding agent (performing deductions) and reporting agent limited to non-US investors collecting after sending by the from the Participant:

- electronic copy of the form W8-BEN E (for the account properties) and/or of the form W8-IMY (for third-party accounts) by the customer;
- the payment instruction by tax rate through RNI 704 message (for dividends);
- the payment instruction via MT550 form (for bonds).

Monte Titoli does not collect the W9 but makes payment of gross proceeds to the beneficiaries US; and the non US beneficiaries are do not payed at the correct rate based on the instructions received from the Participants.

Monte Titoli performs the reporting of payments made to beneficiaries not only the US, using the form 1042-S, to the final beneficiary and to the IRS.

For Attendees Not Qualified Intermediary (NQI)

Monte Titoli acts as withholding and reporting agent for beneficiaries underlying (US that non US).

In this case, Monte Titoli will acquire:

- The form W8-BEN E (for the account properties) and / or the form W8-IMY (for third-party accounts) by the customer
- The withholding statements for the accounts of customers

- the payment instruction by tax rate through RNI 704 message (for dividends);
- the payment instruction via MT550 form (for bonds);
- Copy of the certificates forms of US investors (W9 form).

Monte Titoli shall pay the proceeds in accordance with the instructions received by the Participant, gross for documented US beneficiaries and at the rate indicated for non-US documented and at the maximum rate for beneficiaries (US and non US) not documented.

Monte Titoli performs the reporting of payments made to beneficiaries both US (Form 1099 sent to the IRS), both non-US (Form 1042-S, sent to the final beneficiary and IRS).

5.2.2 Tax services for the French market

5.2.2.1 Role of Monte Titoli

Monte Titoli acts as paying agent and withholding agent, in accordance with French tax law, on behalf of Intermediaries and end beneficiaries not residing in France who hold French shares listed on regulated markets with the Central Securities Depository Service.

5.2.2.2 Subject matter of the service

In its tax services for French securities, Monte Titoli:

- applies the withholding at source according to the ordinary rate provided for in applicable tax law;
- applies the withholding at source according to the treaty rates provided for in applicable tax law, or any exemptions, in respect of securities registered to the Intermediaries' accounts, while taking account of the tax position of each end beneficiary, as communicated by the Intermediary; in such cases, the periodic returns and documentation required by applicable legislation to benefit from the lower rates or exemption are submitted to the French tax authorities (Special Rates Service);
- makes payments to the French tax authorities by the due dates established by law;
- supports service participants with any procedures for the recovery of excess amounts paid.

The activities set out in letters A) and C) above are carried out by Monte Titoli for all Intermediaries participating in the Central Securities Depository Service.

The activities set out in letter B) above are carried out by Monte Titoli for the Intermediaries participating in the Central Securities Depository Service who have requested that service on a general basis.

The activity set out in letter D) above is carried out by Monte Titoli for Intermediaries participating in the Central Securities Depository Service who have

submitted an express request for this activity with respect to each income payment transaction to which taxation has been applied.

A. Application of ordinary withholding tax rate

Monte Titoli processes transactions involving the payment of dividends on French shares according to the conditions indicated in section 4.6 and applies the withholding tax rate to the amounts of dividends deriving from listed French shares, applying the ordinary rate and crediting the net dividend to the Intermediaries.

This procedure is performed for all Intermediaries who have not opted for the Special Rates Service, according to section 5.3.2.2, letter B, above.

B. Special Rates Service

The Special Rates Service is offered to Intermediaries who have requested it.

Monte Titoli processes transactions involving the payment of dividends on French shares registered to the Intermediaries' accounts according to the conditions set out in section 4.6 and applies the withholding tax rate at source according to the treaty rates provided for in applicable tax law or any exemptions.

To that end, Monte Titoli takes account of the tax position of each end beneficiary, as communicated by the Intermediary.

The Intermediary undertakes to provide Monte Titoli, through the MT-X platform, with the documentation provided for in French tax law that certifies the satisfaction of the requirements by the end beneficiaries of the dividends, and in particular:

- the form envisaged by the French tax authorities (form 5000), appropriately completed. This form must be updated by the 15th of March of each year;
- documentation on the basis of which the end beneficiary has been recognised as exempt, where applicable.

Without prejudice to the Intermediary's responsibility for the truthfulness and accuracy of the information submitted, Monte Titoli verifies that it is complete.

The Intermediary may register the securities of customers:

- in multiple separate accounts for each end beneficiary; or
- in one or more omnibus accounts.

In cases of separate accounts for each end beneficiary, the Intermediary is responsible for giving notice of all changes of the beneficiaries or the beneficiaries' tax position.

In cases of omnibus accounts, the Intermediary is responsible for informing Monte Titoli, by 10:00 AM on the day after the record date of all dividend payment transactions of the balance of the positions classified by rate. This communication is submitted through the MT-X platform.

Monte Titoli checks the positions communicated by the Intermediary with its records on the basis of the documentation already in its possession and, in the absence of reconciliation, applies the ordinary rate.

By the tenth day of the calendar month subsequent to the one of the payment dividend, the Intermediary is required to communicate the details of the end beneficiaries and the related documentation. In the event the documentation shows a misalignment compared with the balances of the classified positions, on the basis of which the dividend has been paid to the Intermediary, Monte Titoli reverses the payment of the dividend previously executed and performs a new payment of the dividend according to the documentation received by the Intermediary.

If the documentation is sent after the deadline indicated in the previous paragraph, Monte Titoli reverses the payment of the dividend previously executed, and performs a new payment according to the ordinary rate; the end beneficiary's credit position, if any, may be recovered, at the Intermediary's request, through the procedure for recovering excess sums paid (section D) from the French tax authorities.

Each month Monte Titoli sends Intermediaries a summary of the payments made on their account, with an indication, for each treaty rate applied, of the amounts of the dividends paid during the month and related taxes paid.

C. Payment of tax and tax returns

By the fifteenth day of each month, Monte Titoli pays the French tax authorities the amounts due in respect of the dividend payment events recorded in the previous calendar month, that had been withheld on its account in T2.

Monte Titoli sends the French tax authorities:

- a declaration, submitted along with the payment of the tax, indicating the dividend payments made according to the various rates during the month of reference;
- a quarterly report containing the details of the end beneficiaries to which the treaty rate was applied;
- an annual summary statement indicating the beneficiaries who benefited from the application of the treaty rates and/or an exemption;
- an annual summary statement indicating the beneficiaries who received the Standard Refund.

D. Recovery of excess sums paid

Monte Titoli supports Intermediaries who intend to apply to the French tax authorities for a refund of the excess sums paid.

The recovery procedure is initiated by submitting the Intermediary's application to Monte Titoli, according to the conditions indicated in the Operating Documentation, along with:

- the tax codes of the end beneficiaries;
- the forms required by the French tax authorities (form 5000 and form 5001), appropriately completed.

The application may be submitted to Monte Titoli within 22 months of the dividend payment date.

The application is processed by Monte Titoli, as withholding agent, and the refund is paid by the French tax authorities to Monte Titoli and then remitted by Monte Titoli to the Intermediary.

5.2.3 French FTT

For intermediaries who hold French securities, Monte Titoli provides a declaration transmission and tax payment service in relation to the French Financial Transaction Tax (FTT).

Declarations concerning financial transactions subject to taxation are sent via the MT-X platform.

Intermediaries can send one or more declarations related to transactions on taxable securities.

The declaration should include both the transactions subject to taxation and the exempt transactions, indicating the reasons for the exemption pursuant to the applicable legislation.

The declarations sent by the intermediaries are formally checked by Monte Titoli and then forwarded to Euroclear France to be validated.

Declarations validated by 11:00 of the 4th calendar day of the payment month are considered for the purpose of the payment.

Intermediaries are informed of the status of the declaration validation process via MT-X.

On the fourth calendar day of the month¹, Monte Titoli debits the total amount indicated in the declarations to the accounts of the intermediaries, according to two debiting cycles (at 12:00 and 13:30).

If the debiting process is unsuccessful due to lack of funds, Monte Titoli will repeat the process the next day and so on. In such case, the declarations may be considered to have been submitted late and may therefore be subject to penalties.

Each attempt to debit the amount is notified to the intermediary and to its paying bank, if relevant, via message RNI 097, which indicates the status of debit.

After collecting all of the relevant amounts, Monte Titoli sends the form "FTT payment advice" to Euroclear France for the cash to be credited.

Once the funds have been credited to Euroclear France, Monte Titoli sends message MT202 to the intermediaries.

Monte Titoli runs the payment process every day of the month to manage late declarations. Late declarations received and validated by 11:00 on any day of the payment month will be processed on the same day, while the others will be paid the day after they are received.

5.2.4 Spanish FTT

In the context of the Spanish FTT Service, Monte Titoli sends the declarations and executed the payments of the amount related to the application of the taxation on financial transactions according to the procedures and the timelines described below, following the signing by the adhering intermediary of the specific proxy form available on MT-X.

The activities are performed during the calendar days of the relevant month. If the deadline coincides with a holiday, the activities are performed in the previous day.

Reporting of taxable transactions is done through the MT-X platform.

Intermediaries may submit one or more declarations relating to transactions in taxable securities. Intermediaries may also send declarations on behalf of other intermediaries subject to taxation. In this case, intermediaries must send Monte Titoli the form for requesting the taxation identification code to be attributed to the intermediary on whose behalf they are sending the declarations.

The declaration should include both the transactions subject to taxation and the exempt transactions, indicating the reasons for the exemption pursuant to the applicable legislation.

The declarations sent by the intermediaries are formally checked by Monte Titoli and then forwarded to Iberclear to be validated.

Declarations sent to Monte Titoli validated by 4.00 pm of the 10th calendar day of the payment month are considered for the purpose of the payment.

Intermediaries receive information about the validation status of the declaration via MT-X.

Declarations received after this deadline are considered late.

By the second day following the deadline for sending declarations, Monte Titoli debits the accounts of intermediaries for the total amount indicated in the declarations, performing two debiting cycles (at 12:00 and 13:30).

If the debiting process is unsuccessful by the 14th calendar day due to lack of funds, Monte Titoli will cancel the declaration and will not execute the payment.

Each attempt to debit the amount is notified to the intermediary and to its paying bank, if relevant, via message RNI 097, which indicates the status of debit.

If the debiting of the funds is not successful by the 14th day due to a lack of cash, Monte Titoli proceeds to cancel the declaration and does not make the payment.

In order to pay the amounts relating to the taxation of the transactions listed in the declarations cancelled by Monte Titoli, intermediaries must submit new declarations which will be considered late.

Declarations considered to have been submitted late will be processed on the same day and by the second day following the submission of the declarations, Monte

Titoli debits the total amount indicated in the declarations to the accounts of the intermediaries.

Monte Titoli debits penalties, that may be applied to declarations eventually considered to have been submitted late, to the accounts of the intermediaries.

Monte Titoli receives the debiting of funds from Iberclear by the 17th calendar day of the payment month.

5.2.5 Tax service for other markets

The Tax service on foreign financial instruments enables Intermediaries to recover foreign withholding tax deducted at source at a higher percentage than that laid down in the double taxation treaties which countries sign with the State where the company paying the proceeds is domiciled for tax purposes.

In some markets, depending on the laws in force and the operating procedures of the foreign CSD relied upon by Monte Titoli, there is also a Relief at Source service.

The list of the countries, the operational procedures and the Guides for the tax service operated by Monte Titoli, are available in the Cross Border section of Monte Titoli website www.montetitoli.it.

6 SOLICITATION OF PROXIES

Promoter as provided by Article 138 of CLF are required to send Monte Titoli the notice and a copy of the final version of the prospectus together with the proxy form and any changes to them, according to article 136 of Consob Regulation n.11971, implementing provision on issuers.

According to this communication, Monte Titoli informs Participants of the solicitation underway by means of a properly Services Communication.

On promoter's request, Monte Titoli, within one working day from the receipt of the request, provides the balance list which contains:

- the name and BIC code of the intermediaries;
- the number and type of account (own account/ third party omnibus account/third party, individual account);
- balances relating to the number of shares registered on the accounts of each intermediary;

In order to apply for the service offered by Monte Titoli, the promoter:

- shall subscribe the contract "Proxy solicitation" available on Monte Titoli website www.montetitoli.it;
- shall submit the service contract and documents attesting payment of service fees.

7. IDENTIFICATION OF FINANCIAL INSTRUMENTS' HOLDERS

7.1 Identification of holders of financial instruments admitted to central securities depository service

The Issuer intending to request the identification of financial instruments' holder, gives the general mandate to Monte Titoli by message "Mandate for identification of financial instruments' holder".

Monte Titoli informs Intermediaries via message "Service Notice (SHI) MSG724" about:

- information on the transaction;
- financial instruments subject to Identification;
- terms and procedures for the submission of ID information, as well as the reference rules based on which the identification operation is done (that is, if in accordance with the article 83 duodecies of the Consolidated Law on Finance and in accordance with the article 48 of the Single Provision on Post-trading or in accordance with article 22(5) quinquies of Law decree no. 91 of 24 June 2014 enacted with Law no. 116 of 11 August 2014);
- notes and special instructions that the Issuer considers appropriate to disclose to the System in order to enable proper and timely identification as well as the communications done according to the law (e.g. on the reasons for an ID request of bonds holders).

Data contained in the Service Notice are used by Intermediaries to properly manage their obligation towards financial instruments' holders, Monte Titoli and the Issuer of financial instruments.

7.2 Identification of holders of linked financial instruments

Upon receipt of the identification request from the Issuer or the Issuer CSD, Monte Titoli shall communicate to the intermediaries participating in the system the relative Service Provision containing:

- information on the operation;
- the financial instruments to be identified;
- the terms and methods for sending personal information, as well as the provisions on the basis of which the identification request is carried out;
- notes and special instructions that the issuer deems appropriate to disclose to the system to facilitate correct and timely identification, as well as the communications made in accordance with the law (for example, the reasons for the bondholders identification request).

Data contained in the Service Provision are used by intermediaries to correctly manage the obligations within their remit towards the holders of financial instruments, Monte Titoli and the issuer.

8. Coordination and collection of acceptances (“PPO/ETO” Service)

Bidders availing themselves of the PPO/ETO Service shall agree with Monte Titoli on the required information and procedures for the organisation of the collection of acceptances and management of the additional operational requirements related to the offer.

Monte Titoli communicates the information required to participate in the offer to the Intermediaries through a specific Service Notice, referred to in point 3.10.2.

Monte Titoli receives the instructions for participating in the offer from the Intermediaries where the financial instruments subject to the PPO/ETO are deposited.

Where required by the regulation applicable to the offer, Monte Titoli provides the bidder and the System with the data on the number of acceptances and the financial instruments made available by the participants based on that set out in the offer document prepared by the bidder.

On the date of payment, after verifying the funds made available by the bidder, Monte Titoli orders the transfer of the financial instruments made available by the participants and the related fees through the Settlement Service.

On the date of payment, Monte Titoli, after verifying the funds made available by the bidder, orders the payment of any fees due to the Intermediaries for the duties carried out as part of the offer, debiting the bidder’s account and crediting that of the Intermediaries from which it received the acceptance instructions.

The above provisions also apply in the event of purchase/obligation right by the bidder pursuant to Articles 108 and 111 of the Consolidated Law on Finance, should the bidder avail itself the PPO/ETO Service.

9. Appendix

9.1 Currently applicable timetables for Cross Border operations

Transfers from MT to FOREIGN INSTITUTIONS					Transfers from FOREIGN CSD to MT		
Account FOREIGN INSTITUTIONS	Description	Nationality	Operating Hours		MT account	Operating Hours	
			Start	End		Start	End
12934	Euroclear Bank	Belgium	7:30	18:15 ¹⁹	21891	7:30	18:15 ²⁰
81318	Clearstream Banking Frankfurt	Germany	7:30	16:45	7245 (Issuer) 7248 (investor)	7:30	18:15
81346	Euroclear France	France	8:00	15:15 ²¹	620	8:00	17:45
81451	OEKB	Austria	7:30	14:30	2442/00	7:30	18:15
81488	Iberclear - SCLV	Spain	8:00	16:00	7010	7:30	18:15
81504	Iberclear - CADE	Spain (govt. bonds)	8:00	14:30	1953	8:00	17:45
81501	NECIGEF	Holland	7:30	16:45	914NEC F	7:30	18:15
12932	Clearstream Banking Luxembourg	Luxembourg	7:30	18:15 ²²	85077	7:30	18:15 ²³
81551	SIS	Switzerland	8:30	18:00	IT100118	7:30	18:15
81626	DTCC	USA	15:00	18:15	00002008	7:30	18:15

¹⁹ For transfers of foreign securities, the deadline is 16:30

²⁰ For transfers of foreign securities, the deadline is 17:45

²¹ For transfers of foreign securities, the deadline is 14:30

²² For transfers of foreign securities, the deadline is 16:30

²³ For transfers of foreign securities, the deadline is 17:45



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