

**EXERCISE OF OPTION RIGHTS IN THE EVENT OF CAPITAL INCREASES WITH SIGNIFICANT
DILUTIVE EFFECTS**

**AMENDMENT OF THE INSTRUCTIONS FOR THE
CSD SERVICE**

Capital increases having a strong dilutive effect have been the focus of considerable attention on the part of the Authorities, the Market and intermediaries, since 2009. They are characterised by the considerable entity of the offering, and by the high ratio between the number of shares to be issued and the number of shares outstanding, with a high difference between the underwriting price of the new shares and the shares' price on the last *cum* trading day; these characteristics can be summarized by low values of adjustment factor K ($K = P \text{ theoretical ex-rights} / P \text{ cum}$). The characteristics described produce, during the trading of the option rights of individual transactions, abnormal fluctuations in the prices of securities ex-rights and significant short-selling positions regarding the settlement of securities.

As is commonly known, Consob began to deal with this question in 2010, with the publication of a "Position Paper" and presenting the situation as follows: *"In view of the market situation, characterized by the on-going economic downturn and by the greater volatility of trading on secondary markets, issuers that were able to obtain new capital sought to use different levers in order to "entice" their own shareholders to participate in the rights issues. Some of them, in particular, carried out shareholders rights offerings, characterized by sizable quantities of shares to be issued with respect to the number of outstanding shares, with the goal of maximizing the value of the discount for potential underwriters relative to the market value of the outstanding shares."*

In April 2016, with the publication of the *Esiti delle Consultazioni*, Consob indicated the rolling model as *"the only solution that guarantees resolution of price anomalies"*, and instructed the market management company to proceed to amend the rules in this sense, and in the month of October 2016, with Communication no. 0088305, Consob provided the information regarding the "Implementation of the rolling model", indicating that the date of entry into force is foreseen for the **15th December 2016**.

Borsa Italiana with Notice no. 18869 of 10 October 2016, has communicated the related changes to the Market Rules.

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As regards the **Central Securities Depository Service**, the Instructions of the Service are amended to detail the new timescale and manner of exercise of option rights and of communications between the Intermediaries and Monte Titoli, in the event of capital increases qualified as "highly dilutive".

More specifically, for capital increases handled using the rolling modality, provision is made for the following:

- by 13:30 of each day of the offering period, those intermediaries participating in Monte Titoli may give notice of exercise of the rights resulting from their securities balance for which they are requiring the rolling execution; intermediaries, each day, may also communicate the exercise of the rights which they require the forward execution;
- at 13:40 each day, Monte Titoli shall transmit a report of the constitution of funds, and start the settlement procedure which shall be completed at 14:30;
- every day during the offer period Monte Titoli makes available to intermediaries the reporting and the processing available today at the end of the transaction;
- upon completion of the settlement procedure, Monte Titoli shall enter the resulting securities to the accounts of the underwriting intermediaries, and send the final report on the transaction to the participants. The securities originating from said process are already available for the daily settlement phase on the same date.

It should also be pointed out that the rules governing the Central Securities Depository Service are amended in order to specify that Monte Titoli shall inform its participants of the manner of performance of the operation – Account or Rolling – and in doing so shall indicate whether the capital increase comes within the category of “Capital increases having a strong dilutive effect”.

As far as issuers are concerned, it is established that:

- they appoint Monte Titoli to perform the capital increase transaction by the end of the day prior to the share’s cum trading day;
- they authorize Monte Titoli to issue the financial instruments originating from the transaction on each day of the offering period, starting from the moment when the option rights are entered to the securities account.

It should also be specified that any request for publication of the supplement to the prospectus in accordance with Section 95-*bis* of the Consolidated Law on Finance, submitted to Monte Titoli after 13:00, shall be considered received on the following accounting day.

The amendment to the Instructions to the Central Securities Depository Service shown below take into account of the management of capital increases that have been subject of discussion in technical meetings with the intermediaries and issuers and of the comments received.

The text of the Instructions as amended will enter into force on the **15th December 2016**. Following is an excerpt with amendments highlighted.

3.9 Paid or mixed increase in share capital

3.9.1 Granting of a mandate

The Issuer grants a mandate to Monte Titoli for a paid or a mixed 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”. 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 in TARGET2 System 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.

~~The mandate must be sent to Monte Titoli at least 3 working days before the date scheduled for the commencement of the operation¹.~~

3.9.2 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.

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**.

¹ 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 Collecting Bank informs Monte Titoli whether it intends to receive payments through RTGS account or the DCA account. Communication is accomplished through CLIP 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 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.

3.9.3 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.

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.

3.9.4 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.

3.9.5 Administration of exercising instructions – capital increases using Account method

Intermediaries must provide the relevant instructions to Monte Titoli by the deadline date (hereinafter the "DT") 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 "DT" 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.

3.9.5-bis 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-DT") indicated in the Service Notice, to Monte Titoli by means of an electronic message

entitled “msg 715 – Instructions for capital transactions”. Within this context, they 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 DT, 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 DT-Rolling.

Also, before 18.00 each day of the offering period previous the deadline (DT-1) indicated in the Service Notice related to the exercise of the rights, and by 13.30 DT 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.

3.9.6 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 "DT-1";
- at 12:00 (approx.) and ~~13:30~~ **13.00** (approx.) of "DT".

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 DT-1 and at 13:00 (approx.) of DT; for exercise instructions of forward exercise.**

It should be noted that provisional and solicitation messages sent at “DT” report balances at “DT-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).

3.9.7 Blockage of rights

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

3.9.8 Accounting and provision of funds

For capital increases handled using the Accounting method, at 14.00 (approx.) of DT
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 DT-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 DT-Rolling).

The provisional messages, sent **as indicated above** ~~after 14:00 hours on “DT”, at the close of the subscription period,~~ 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.

3.9.9 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.

3.9.10 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 3.9.11 e 3.9.12.

Monte Titoli:

- **for capital increases handled using the Account method**, commences the settlement cycle after 14:00 hours on "DT", after the production and sending of the fund provision messages referred in paragraph 3.9.8;
- **for capital increases handled using the Rolling method**, commences the settlement cycle after 13:40 hours of each "Rolling-DT", following the production and sending of messages informing of the constitution of funds as referred to in paragraph 3.9.8.

Settlement cycle – Settlement phase from 14:00 hours to 16:00

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.** ~~approx.~~

Instructions settled in this manner during the first phase are final.

The system proceeds to send the settlement instructions² 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.

The banks concerned (where relevant) are informed of settlements by a specific message of 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.

3.9.11 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”.

3.9.12 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”.

3.9.13 Settlement procedure through DCA accounts

² A maximum settlement priority is assigned to all payment instructions (“very urgent payment order”)

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.

3.9.14 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.

3.9.15 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 ~~new~~ 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 DT **or of each Rolling-DT** 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 (DT) 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(DT).**

3.9.16 Availability of resulting securities

For capital increases handled using the Account method, Monte Titoli credits resulting securities, with a temporary technical block, to the intermediate subscribers' accounts at the end of the scheduled phase of settlement, before the close of the DT Accounting Day.

Monte Titoli unblocks the resulting securities on DT+1, and they become available for the overnight settlement phase of that day.

For capital increases handled using the Rolling method, Monte Titoli credits the securities originating to the intermediate subscribers' accounts at the end of the scheduled phase of settlement envisaged for each Rolling-DT. Said securities become available for the overnight settlement phase of that day.

3.9.17 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** ~~12:30~~ on the DT, 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-DT, shall be managed as above. Any request for publication received after 13:00 hours of the Rolling-DT, shall be deemed as having been received on the subsequent accounting day.

3.9.18 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 DT.

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 DT+1, and they become available for the settlement cycle of that day.

3.9.19 Residual rights

On DT+1, Monte Titoli proceeds to remove the unexercised rights from the accounts of Participants in the System.

3.9.20 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, which are credited directly by the issuing company to the account of the Intermediary mandated for the offer of the rights.

At the end of the operation, Monte Titoli proceeds to remove the expired and unpurchased rights from the participants' accounts.