

TERMS AND CONDITIONS OF THE NOTES

THIS DOCUMENT IS NOT AN OFFER TO SELL SECURITIES OR THE SOLICITATION OF ANY OFFER TO BUY SECURITIES.

THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, PLEDGED, OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND THE APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES.

SOLELY FOR THE PURPOSES OF THE PRODUCT GOVERNANCE REQUIREMENTS CONTAINED WITHIN: (A) EU DIRECTIVE 2014/65/EU ON MARKETS IN FINANCIAL INSTRUMENTS, AS AMENDED ("MIFID II"); (B) ARTICLES 9 AND 10 OF COMMISSION DELEGATED DIRECTIVE (EU) 2017/593 SUPPLEMENTING MIFID II; AND (C) LOCAL IMPLEMENTING MEASURES (TOGETHER, THE "MIFID II PRODUCT GOVERNANCE REQUIREMENTS"), AND DISCLAIMING ALL AND ANY LIABILITY, WHETHER ARISING IN TORT, CONTRACT OR OTHERWISE, WHICH ANY "MANUFACTURER" (FOR THE PURPOSES OF THE MIFID II PRODUCT GOVERNANCE REQUIREMENTS) MAY OTHERWISE HAVE WITH RESPECT THERETO, THE NOTES HAVE BEEN SUBJECT TO A PRODUCT APPROVAL PROCESS, WHICH HAS DETERMINED THAT: (I) THE TARGET MARKET FOR THE NOTES IS ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ONLY, EACH AS DEFINED IN MIFID II; AND (II) ALL CHANNELS FOR DISTRIBUTION OF THE NOTES TO ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ARE APPROPRIATE. ANY PERSON SUBSEQUENTLY OFFERING, SELLING OR RECOMMENDING THE NOTES (A "DISTRIBUTOR") SHOULD TAKE INTO CONSIDERATION EACH MANUFACTURER'S TARGET MARKET ASSESSMENT; HOWEVER, A DISTRIBUTOR SUBJECT TO MIFID II IS RESPONSIBLE FOR UNDERTAKING ITS OWN TARGET MARKET ASSESSMENT IN RESPECT OF THE NOTES (BY EITHER ADOPTING OR REFINING EACH MANUFACTURER'S TARGET MARKET ASSESSMENT) AND DETERMINING APPROPRIATE DISTRIBUTION CHANNELS.

THE TARGET MARKET ASSESSMENT IS WITHOUT PREJUDICE TO THE REQUIREMENTS OF ANY CONTRACTUAL OR LEGAL SELLING RESTRICTIONS IN RELATION TO THE NOTES.

FOR THE AVOIDANCE OF DOUBT, THE TARGET MARKET ASSESSMENT DOES NOT CONSTITUTE: (A) AN ASSESSMENT OF SUITABILITY OR APPROPRIATENESS FOR THE PURPOSES OF MIFID II; OR (B) A RECOMMENDATION TO ANY INVESTOR OR GROUP OF INVESTORS TO INVEST IN, OR PURCHASE, OR TAKE ANY OTHER ACTION WHATSOEVER WITH RESPECT TO THE NOTES.

THE NOTES ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN THE EUROPEAN ECONOMIC AREA ("EEA") OR THE UNITED KINGDOM. FOR THESE PURPOSES, A RETAIL INVESTOR MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF MIFID II; OR (II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE (EU) 2016/97, WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II. CONSEQUENTLY, NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014, AS AMENDED (THE "PRIIPS REGULATION") FOR OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EEA OR THE UNITED KINGDOM HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA OR THE UNITED KINGDOM MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION.

Following are the terms and conditions of the €5,000,000.00 Fixed Rate Dated Subordinated Convertible Notes due 17 December 2030 (ISIN IT0005429268) (the "**Notes**", which expression includes any further notes issued pursuant to Condition 14 (*Further issues*) and forming a single series therewith) of Net Insurance S.p.A. (the "**Issuer**").

Application will be made for the Notes to be listed and admitted to trading on the Vienna MTF, a multilateral trading facility operated by the Vienna Stock Exchange (*Wiener Börse AG*).

1 FORM, DENOMINATION AND TITLE

The Notes are in bearer form (*obbligazioni al portatore*) in the denomination of € 100,000 (the "**Authorised Denomination**") and held in dematerialised form on behalf of the beneficial owners, until redemption or cancellation thereof, by Monte Titoli, for the account of the relevant Monte Titoli Account Holders. The Notes have been accepted for clearance by Monte Titoli.

2 DEFINITIONS AND INTERPRETATION

2.1 Definitions

In these Conditions the following expressions have the following meanings:

"**Additional Amount**" has the meaning given to it in Condition 9 (*Taxation*).

"**AIM Italia**" means the AIM Italia – Mercato Alternativo del Capitale, a multilateral trading facility operated by the Italian Stock Exchange (*Borsa Italiana S.p.A.*).

"**Business Day**" means any day on which the TARGET System is open and on which commercial banks and foreign exchange markets settle payments generally in London and Milan.

"**Calculation Amount**" means €100,000.

"**Cash Dividend**" means any Dividend which is to be paid or made in cash (in whatever currency).

"**Consolidated Law on Private Insurance Companies**" means the Legislative Decree No. 209 of 7 September 2005, as amended from time to time.

"**Conversion Date**" has the meaning given in Condition 6(c) (*Procedure for exercise of Conversion Rights*).

"**Conversion Notice**" has the meaning given in Condition 6(c) (*Procedure for exercise of Conversion Rights*).

"**Conversion Period**" means each period during which Conversion Rights may (subject as provided in these Conditions) be exercised by a Noteholder, occurring (i) from 17 May (included) to 16 June (included) and (ii) from 17 November (included) to 16 December (included) of each year from (and including) 17 May 2021 to (and including) the Conversion Period End Date, provided that if a tender offer or an exchange offer is launched over the whole corporate capital of the Issuer and if tender and/or exchange offer period does fall in a Conversion Period, the Issuer will communicate to the Noteholders an *ad hoc* Conversion Period.

“Conversion Period End Date” means 16 December 2025, unless the Notes have been redeemed before such date pursuant to Condition 7(a)(c) and/or 7(a)(d) and unless there shall be a default in making payment in respect of such Note on any such date fixed for redemption, in which event the Conversion Right shall extend up to (and including) the date on which the full amount of such payment becomes available for payment and notice of such availability has been given to Noteholders or, if earlier, 16 December 2025.

“Conversion Price” has the meaning given in Condition 6(a) (*Conversion Right*).

“Conversion Right” has the meaning given in Condition 6(a) (*Conversion Right*).

“Day Count Fraction” means, in respect of any period the Actual/Actual (ICMA) basis, being the number of days in the relevant period, from (and including) the first day in such period to (but excluding) the last day in such period, divided by the number of days in the Regular Period in which the relevant period falls.

“Deferred Interest” has the meaning given in Condition 5 (*Mandatory Deferral of Interest*).

“Dividend” means any dividend or distribution to Shareholders whether of cash, assets or other property, and however described and whether payable out of a share premium account, profits, retained earnings or any other capital or revenue reserve or account, and including a distribution or payment to Shareholders upon or in connection with a reduction of capital (and for these purposes a distribution of assets includes without limitation an issue of Ordinary Shares or other Securities credited as fully or partly paid up by way of capitalisation of profits or reserves).

“Extraordinary Dividend” means any Cash Dividend treated as “extraordinary” under the Corporate Action Procedure (“*Procedura per le operazioni sul capitale*”) of the AIM Italia.

“First Call Date” means 17 December 2025.

“First Issue Date” means 17 December 2020.

“Group” means, at any time, the Issuer and its Subsidiaries at such time.

“Independent Adviser” means an independent adviser with appropriate expertise, appointed by the Issuer at its own expense.

“Interest Payment Date” has the meaning given in Condition 4 (*Interest*).

“Junior Securities” means (a) all classes of share capital (including preference shares (*azioni privilegiate*) and savings shares (*azioni di risparmio*), if any) of the Issuer; (b) any obligation, including preferred securities, guarantees or similar instruments issued by the Issuer which rank junior to the Notes or *pari passu* with the share capital of the Issuer; (c) any guarantee or similar instrument from the Issuer, ranking junior to the Notes or *pari passu* with the share capital of the Issuer, covering the preferred securities or preferred or preference shares issued by a Subsidiary of the Issuer; (d) any subordinated note or bond or other securities issued by the Issuer, including obligations of the Issuer which constitute, or would but for any applicable limitation on the amount of such capital constitute, Tier 1 Own Funds, preferred or preference shares or other securities issued by the Issuer which rank, or are expressed to rank, junior to the Notes; and (e) any subordinated note or bond or other securities issued by a Subsidiary of the Issuer having the benefit of a guarantee or similar instrument from the Issuer, which guarantee or instrument ranks or is expressed to rank junior to the Notes.

“Legislative Decree No. 239” has the meaning given in Condition 9 (*Taxation*).

"Mandatory Interest Deferral Event" has the meaning given in Condition 5 (*Mandatory Deferral of Interest*).

"Maturity Date" means 17 December 2030 subject to the Conditions to Redemption.

"Minimum Capital Requirement" has the meaning given to it in the Solvency II Directive and Relevant Regulations.

"Non-Cash Dividend" means any Dividend which is not a Cash Dividend.

"Ordinary Shares" means fully paid ordinary shares in the capital of the Issuer without par value.

"Outstanding Tier 2 Notes" means the €15,000,000.00 Fixed Rate Dated Subordinated Notes due 30 September 2026 issued by the Issuer on 30 September 2016.

"Parity Securities" means (a) the Outstanding Tier 2 Notes and any other subordinated obligations of the Issuer, including notes or bonds issued by the Issuer, guarantees or other securities issued by the Issuer which rank, or are expressed to rank, *pari passu* with the Notes; and (b) any subordinated obligations, including notes or bonds or other securities issued by a Subsidiary of the Issuer having the benefit of a guarantee or similar instrument from the Issuer, which guarantee or instrument ranks, or is expressed to rank, *pari passu* with the Notes.

"Person" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality.

"Reference Shares" means, in respect of the exercise of Conversion Rights by a Noteholder, the number of Ordinary Shares (rounded down, if necessary, to the nearest whole number) determined by dividing the principal amount of the Notes which are the subject of the relevant exercise of Conversion Rights by the applicable Conversion Price in effect on the relevant Conversion Date, except that where the Conversion Date falls on or after the date an adjustment to the Conversion Price takes effect pursuant to Conditions 6(a)(b) but on or prior to the record date or other due date for establishment of entitlement in respect of the relevant event giving rise to such adjustment, then the Conversion Price in respect of such exercise shall be such Conversion Price as would have been applicable to such exercise had no such adjustment been made.

"Regular Period" means each period from (and including) the First Issue Date or any Interest Payment Date to (but excluding) the next Interest Payment Date.

"Regulatory Event" has the meaning given in Condition 7(a)(d) (*Redemption for regulatory reasons*).

"Relevant Date" means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received by the entitled party (including the Paying Agent) on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders.

"Relevant Regulations" means the rules and regulations of the Relevant Supervisory Authority, or any legislation, rules or regulations (whether having the force of law or otherwise) implementing the Solvency II Directive, including Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing the Solvency II Directive) as

well as regulatory or implementing technical standards and (to the extent applied by the Relevant Supervisory Authority) published interpretation, guidance or guidelines on the foregoing, and which are applicable to the Issuer.

"Relevant Supervisory Authority" means *Istituto per la Vigilanza sulle Assicurazioni* (IVASS), or any successor entity of IVASS, or any other competent relevant supervisory authority to which the Issuer becomes subject.

"Securities" means any securities including, without limitation, Ordinary Shares and any other shares in the capital of the Issuer, and options, warrants or other rights to subscribe for or purchase or acquire Ordinary Shares or any other shares in the capital of the Issuer.

"Shareholders" means the holders of Ordinary Shares.

"Solvency Capital Event" has the meaning given in Condition 5 (*Mandatory Deferral of Interest*).

"Solvency Capital Requirement" has the meaning given to it in the Solvency II Directive and any Relevant Regulations.

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

"Subsidiary" means, in respect of any Person at any particular time, any company or corporation in which:

- (a) the majority of the votes capable of being voted in an ordinary shareholders' meeting is held, directly or indirectly, by the Person; or
- (b) the Person holds, directly or indirectly, a sufficient number of votes to give the Person a dominant influence (*influenza dominante*) in an ordinary shareholders' meeting of such company or corporation,

as provided by Article 2359, paragraph 1, No. 1 and 2, of the Italian Civil Code.

"TARGET2" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007.

"TARGET System" means the TARGET2 system.

"Tax Event" has the meaning given in Condition 7(c) *Redemption for tax reasons*).

"Taxing Jurisdiction" means the Republic of Italy and/or such other taxing jurisdiction to which the Issuer becomes subject or any political subdivision or any authority thereof or therein having power to tax.

"Tier 1 Own Funds" means own funds which have the necessary features to be classified as Tier 1 (or whatever the terminology employed by the Relevant Regulations, including any transitional arrangements as applicable) under the Relevant Regulations.

"Tier 2 Own Funds" means own funds which have the necessary features to be classified as Tier 2 (or whatever the terminology employed by the Relevant Regulations, including any transitional arrangements as applicable) under the Relevant Regulations.

2.2 Interpretation

In these Conditions:

- (a) any reference to principal shall be deemed to include the principal amount of the Notes, any Additional Amounts thereon and any other amount in the nature of principal payable pursuant to these Conditions; and
- (b) any reference to interest shall be deemed to include any Additional Amounts thereon and any other amount in the nature of interest payable pursuant to these Conditions.

3 STATUS AND SUBORDINATION

The Notes constitute direct, unconditional and unsecured subordinated obligations of the Issuer and rank *pari passu* without any preference among themselves and:

- (a) junior to any unsubordinated obligations of the Issuer (including liabilities to policyholders, beneficiaries and other non-subordinated creditors of the Issuer) and any other present or future subordinated obligations of the Issuer which rank, or are expressed to rank, senior to the Notes;
- (b) at least equally with the Issuer's payment obligations in respect of any Parity Securities including, without limitation, the Outstanding Tier 2 Notes and any other Tier 2 Own Funds (or subordinated obligations of the Issuer which would, but for any applicable limitation on the amount of such capital, constitute Tier 2 Own Funds); and
- (c) senior to the Issuer's payment obligations in respect of any Junior Securities.

4 INTEREST

(a) *Interest Rate*

The Notes bear interest from (and including) the First Issue Date at the rate of 4.60 per cent. per annum, (the "**Rate of Interest**") payable – subject to Condition 5 (*Mandatory Deferral of Interest*) below – semi-annually in arrear in equal instalments on 17 June and on 17 December in each year (each, an "**Interest Payment Date**") commencing on 17 June 2021, subject as provided in Condition 8 (*Payments*).

The amount of interest payable on each Interest Payment Date shall be €2,300 in respect of each Note of €100,000 denomination. If interest is required to be paid in respect of a Note on any other date, it shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction and rounding the resulting figure to the nearest cent (half a cent being rounded upwards) and multiplying such rounded figure by a fraction equal to the denomination of such Note divided by the Calculation Amount.

Notwithstanding the above, no payment or adjustment shall be made on exercise of Conversion Rights (as defined below) for any Deferred Interest (if any) or interest which otherwise would have accrued on the relevant Notes since the last Interest Payment Date preceding the Conversion Date relating to such Notes (or, if such Conversion Date falls before the first Interest Payment Date, since the First Issue Date).

(b) *Accrual of Interest*

Each Note will cease to bear interest (i) where the Conversion Right shall have been exercised by a Noteholder, from the Interest Payment Date immediately preceding the

relevant Conversion Date or, if none, the First Issue Date; (ii) or where such Note is redeemed or repaid pursuant to Condition 7, from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which case it will continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (b) the day which is seven days after the receiving of all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

5 MANDATORY DEFERRAL OF INTEREST

(a) *Mandatory deferral of interest*

The Issuer shall defer payment of all or some only of the interest accrued to an Interest Payment Date ("**Mandatory Interest Deferral Date**") in respect of the Notes if:

- (i) a Solvency Capital Event has occurred and will be continuing on such Interest Payment Date, or would be caused by the payment by the Issuer of interest and/or Deferred Interest (or the relevant part thereof) on the relevant date, in each case until the Solvency Capital Event has been remedied and any payment of interest and/or Deferred Interest (or the relevant part thereof) would not lead to a Solvency Capital Event; or
- (ii) the Solvency Condition is not satisfied at such Interest Payment Date (each a "**Mandatory Interest Deferral Event**"),

provided, that in the case of (i) above, the relevant Interest Payment Date will not be a Mandatory Interest Deferral Date in relation to such interest (or such part thereof) if:

- (a) the Relevant Supervisory Authority has, prior to such Interest Payment Date, exceptionally waived the deferral of such interest payment (to the extent the Relevant Supervisory Authority can give such waiver);
- (b) payment of such interest does not further weaken the solvency position of the Issuer; and
- (c) the Minimum Capital Requirement is complied with after the payment of such interest is made

(sub-(a) to sub-(c) together, the "**Interest Deferral Waiver Conditions**").

Where the Interest Deferral Waiver Conditions are satisfied only after the relevant Interest Payment Date, the Issuer may, at its discretion, make the relevant interest payment in respect of which the Interest Deferral Waiver Conditions have been satisfied on a date following satisfaction of such conditions, such date to be notified by the Issuer to the Noteholders in accordance with Condition 15 (*Notices*), *provided that* no additional interest shall be due from the Issuer.

Notice of any deferral of interest must be given to Noteholders (in accordance with Condition 15 (*Notices*)) as soon as reasonably practicable, *provided that* failure to deliver notice shall not invalidate the relevant deferral of interest.

If interest is deferred pursuant to this Condition 5, the Issuer shall have no obligation to make such payment and any such non-payment of interest shall not constitute a default of the Issuer or any other breach of obligations under the Notes or for any other purpose and will not give Noteholders any right to accelerate repayment of the Notes, demand penalties or any other compensation or take any other action under the Notes.

A "**Solvency Capital Event**" is deemed to have occurred if there is non-compliance with the Solvency Capital Requirement or Minimum Capital Requirement (whichever occurs earlier) and a deferral of interest payments (or the relevant part thereof) or suspension of redemption in respect of the Notes is therefore required on the basis that the Notes are intended to qualify under the Relevant Regulations as Tier 2 Own Funds, where such non-compliance shall be deemed to have occurred if the own funds of the Issuer, on a consolidated or non-consolidated basis, is not sufficient to cover the Solvency Capital Requirement or the Minimum Capital Requirements (or the then applicable and corresponding capital adequacy requirements) of the Issuer and/or the Group, in each case as determined in accordance with the Relevant Regulations.

All payments under or arising from the Notes shall be conditional upon (a) the Issuer being solvent at the time of payment by the Issuer, and no amount shall be payable under or arising from the Notes unless and until the Issuer could make such payment and still be solvent immediately thereafter; and (b) that such payment will not otherwise accelerate the process of the Issuer becoming insolvent (the "**Solvency Condition**").

For the purpose of the Solvency Condition, "**solvent**" means that the Issuer is able to pay its debts owed to its creditors as they fall due and it is not in a situation of serious, evident and permanent insufficiency of the assets required to meet its obligations in respect of payments under insurance contracts, or such different meaning as may be ascribed to such term in the Italian laws and regulations applicable from time to time, and the term "**insolvent**" shall be interpreted accordingly.

(b) *Deferred Interest*

- (i) Any unpaid amounts of interest deferred will constitute arrears of interest ("**Deferred Interest**"). Deferred Interest shall not itself bear interest.
- (ii) Deferred Interest may, subject to the provisions of Condition 5(a) (*Mandatory deferral of interest*) above, at the option of the Issuer, be paid in whole or in part (in such latter case the payment in respect of any Note and in respect of any period will be made *pro rata* to the total amount of all unpaid Deferred Interest in respect of that period to the date of payment) at any time; and shall become due and payable, in whole, on the earliest of:
 - (A) the next Interest Payment Date which is not a Mandatory Interest Deferral Date; or
 - (B) the date fixed for any redemption of the Notes in accordance with these Conditions (subject to any suspension of such redemption pursuant to Condition 7(g) (*Conditions to Redemption*)); or
 - (C) the date on which voluntary or involuntary winding-up, dissolution, liquidation or bankruptcy (including, inter alia, *Liquidazione Coatta Amministrativa* pursuant to the Consolidated Law on Private Insurance Companies) proceedings are instituted in respect of the Issuer,

provided in the case of (A) and (B) above that Deferred Interest may only be paid if the Relevant Supervisory Authority has given and has not withdrawn its prior consent to payment of the relevant amounts (if such prior consent is so required under applicable legislation at the relevant time).

Notice of payment of any Deferred Interest shall be given to Noteholders (in accordance with Condition 15 (*Notices*)) as soon as reasonably practicable.

6 CONVERSION OF NOTES

(a) *Conversion Right and Conversion Price*

Subject to and as provided in this Conditions, each Note shall entitle the holder to convert such Note into existing Ordinary Shares as determined by the Issuer, credited as fully paid (a "**Conversion Right**").

The Notes will be convertible into existing Ordinary Shares.

The initial Conversion Price is:

- (i) Euro 6.00 per Ordinary Share, if the Conversion Date occurs by 31 December 2023 (included) (the "**First Conversion Price**");
- (ii) Euro 7.00 per Ordinary Share, if the Conversion Date falls on or after 1st January 2024 (the "**Second Conversion Price**" and, together with the First Conversion Price, the "**Conversion Price**");

The Conversion Price is subject to adjustment in the circumstances described in Condition 6(b). The expression "Conversion Price" shall be construed accordingly.

Subject to and as provided in these Conditions, the Conversion Right in respect of a Note may be exercised, at the option of the holder thereof, at any time subject to any applicable fiscal or other laws or regulations and as hereinafter provided) during a Conversion Period.

Fractions of Ordinary Shares will not be transferred and delivered on exercise of Conversion Rights and no cash payment or other adjustment will be made in lieu thereof. However, if the Conversion Right in respect of more than one Note is exercised at any one time such that Ordinary Shares to be transferred and delivered on conversion are to be registered in the same name, the number of such Ordinary Shares to be transferred and delivered in respect thereof shall, in accordance with the definition of "Reference Shares", be calculated on the basis of the aggregate principal amount of such Notes being so converted and rounded down to the nearest whole number of Ordinary Shares.

Subject to and in accordance with Condition 6(c) below, the Issuer will procure that Ordinary Shares to be transferred and delivered on exercise of Conversion Rights will be transferred and delivered to the holder of the Notes completing the relevant Conversion Notice or his nominee in accordance with the provision of Condition 6(c). Such Ordinary Shares will be deemed to be transferred and delivered as of the relevant Conversion Date.

(b) *Adjustment of Conversion Price*

Upon the occurrence of any of the events described below, the following shall apply as determined by the Issuer (and such determination shall be binding on the Noteholders, unless in case of manifest error):

- (i) *Consolidation or subdivision*: if and whenever there shall be a consolidation or subdivision affecting the number of Ordinary Shares in issue, the Conversion Price shall be adjusted proportionally with consequent increase or decrease of the Reference Shares;
- (ii) *Capitalisation of profits and reserves*: If and whenever the Issuer shall issue any Ordinary Shares credited as fully paid to Shareholders by way of capitalisation of profits or reserves, including any share premium account or capital redemption reserve, the Conversion Price shall be adjusted proportionally based on the size of the capital increase with consequent increase of the Reference Shares;
- (iii) *Extraordinary Dividends*: If and whenever the Issuer shall declare, announce, make or pay any Extraordinary Dividend to the Shareholders, the Conversion Price shall be adjusted accordingly, with consequent increase of the Reference Shares;
- (iv) *Non-Cash Dividends*: If and whenever the Issuer shall declare, announce, make or pay any Non-Cash Dividend to the Shareholders, the Conversion Price shall be adjusted accordingly, with consequent increase of the Reference Shares;
- (v) *Dividends*: other than in case in case of Non-Cash Dividends and/or Extraordinary Dividends, no adjustment will be made to the Conversion Price if and whenever the Issuer shall declare, announce, make or pay any Dividend (other than a Non-Cash Dividend) to the Shareholders;
- (vi) *Share or option schemes, Dividends Reinvestment Plans*: No adjustment will be made to the Conversion Price where Ordinary Shares or other Securities (including, but not limited to, rights, warrants and options) are issued, offered, exercised, allotted, purchased, appropriated, modified or granted (i) to, or for the benefit of, employees or former employees (including directors holding or formerly holding executive office or non-executive office, consultants or former consultants, or the personal service company of any such person) or their spouses or relatives, in each case, of the Issuer or any of its Subsidiaries or any associated company or to a trustee or nominee to be held for the benefit of any such person, in any such case pursuant to any share or option or incentive scheme or (ii) pursuant to any dividend reinvestment plan or similar plan or scheme.

In the event that the Issuer carries out a transaction on its corporate capital other than the transaction listed above in this Condition 6(b), the Issuer shall adjust the Conversion Price, after consultation with an Independent Adviser, on the basis of generally accepted methodologies and market practices and in the compliance with applicable laws and regulations. Except in the case of manifest error, the adjustment will be made on the basis of the written opinion of such Independent Adviser.

Notice of any adjustments under this Condition 6(b) shall be given by the Issuer to Noteholders, in accordance with Condition 15 promptly after the determination thereof.

(c) *Procedure for exercise of Conversion Rights*

Conversion Rights may be exercised by a Noteholder during the Conversion Period by delivering to the specified office of the Issuer a duly completed and signed notice of conversion (a “**Conversion Notice**”) in the form (for the time being current) obtainable from the Issuer. Conversion Rights shall be exercised subject in each case to any applicable fiscal or other laws or regulations applicable in the jurisdiction in which the specified office of the Issuer to whom the relevant Conversion Notice is delivered is located. A Conversion Notice can be deemed received by the Issuer if sent by electronic means.

If such delivery is made after the end of normal business hours or on a day which is not a Business Day in the place of the specified office of the Issuer, such delivery shall be deemed for all purposes of these Conditions to have been made on the next following Business Day in such place.

Any determination as to whether any Conversion Notice has been duly completed and properly delivered shall be made by the Issuer and shall, save in the case of manifest error, be conclusive and binding on the relevant Noteholder.

Conversion Rights may only be exercised in respect of the whole of the Authorised Denomination of a Note.

A Conversion Notice, once delivered, shall be irrevocable.

The conversion date in respect of a Note (the “**Conversion Date**”) shall be the Business Day in Milan immediately following the Interest Payment Date falling under the relevant Conversion Period during which the delivery (or deemed delivery) of the relevant Conversion Notice as provided in this Condition 6(c) occurs.

The Issuer shall pay all capital, stamp, issue and registration and transfer taxes and duties payable in Italy, or in any other jurisdiction in which the Issuer may be domiciled or resident or to whose taxing jurisdiction it may be generally subject, in respect of the issue or transfer and delivery of any Ordinary Shares in respect of such exercise (“**Specified Taxes**”). If the Issuer shall fail to pay any Specified Taxes, the relevant holder shall be entitled to tender and pay the same and the Issuer as a separate and independent stipulation, covenants to reimburse and indemnify each Noteholder in respect of any payment thereof and any penalties payable in respect thereof.

A Noteholder exercising Conversion Rights must pay directly to the relevant authorities any capital, stamp, issue, registration and transfer taxes and duties arising on the exercise of Conversion Rights (other than any Specified Taxes). A Noteholder must also pay all, if any, taxes imposed on it and arising by reference to any disposal or deemed disposal by it of a Note or interest therein in connection with the exercise of Conversion Rights by it (other than any Specified Taxes). Any such capital, stamp, issue, registration, transfer taxes or duties or other taxes payable by a Noteholder are referred to as “**Noteholder Taxes**”.

Ordinary Shares to be delivered on exercise of Conversion Rights will be delivered by or on behalf of the Issuer in uncertificated form through Monte Titoli, unless, at the time of delivery, the Ordinary Shares are not a participating security in Monte Titoli. Where Ordinary Shares are to be delivered through Monte Titoli, they will be delivered to the account specified by the relevant Noteholder in the relevant Conversion Notice by not later than seven Milan Business Days following the relevant Conversion Date. Each Noteholder delivering a Conversion Notice shall ensure that its relevant custodian(s) cooperate with the Issuer and its custodian(s) in order to complete the delivery process of the relevant Ordinary Share(s) and the cancellation of the relevant Note(s) in respect of which a Conversion Right has been duly exercised in accordance with these Conditions.

If the Ordinary Shares are not a participating security in Monte Titoli at the relevant time, the Ordinary Shares to be delivered on exercise of Conversion Rights will be delivered by not later than seven Milan Business Days following the relevant Conversion Date in such manner as may be in accordance with market practice, and as notified by the Issuer to Noteholders.

(d) *Ranking and entitlement in respect of Ordinary Shares*

Ordinary Shares transferred and delivered on exercise of Conversion Rights will be fully paid and will in all respects rank *pari passu* with the fully paid Ordinary Shares in issue on the relevant Conversion Date and the relevant holder shall be entitled to all rights, distribution or payments the record date or other due date for the establishment of entitlement for which falls on or after the relevant Conversion Date, or as the case may be, the relevant Reference Date, except in any such case for any right excluded by mandatory provisions of applicable law or as otherwise may be provided in these Conditions. Such Ordinary Shares will not rank for (or, as the case may be, the relevant holder shall not be entitled to receive) any rights, distributions or payments the record date or other due date for the establishment of entitlement for which falls prior to the relevant Conversion Date or, as the case may be, the relevant Reference Date.

(e) *Purchase or Redemption of Ordinary Shares*

The Issuer or any Subsidiary of the Issuer may exercise such rights as they may from time to time enjoy to purchase or redeem or buy back any shares of the Issuer (including Ordinary Shares) or any depositary or other receipts or certificates representing the same without the consent of the Noteholders.

7 REDEMPTION AND PURCHASE

- (a) *Scheduled redemption:* Unless previously converted, redeemed or purchased and cancelled as provided below, the Notes will be redeemed at their principal amount on the Maturity Date, together with Deferred Interest (if any) and any other accrued but unpaid interest up to (but excluding) the Maturity Date subject as provided in Condition 8 (*Payments*) and Condition 7(g) (*Conditions to Redemption*). The Notes may not be redeemed at the option of Noteholders.
- (b) *Optional Redemption by the Issuer on or after the First Call Date:* The Notes may be redeemed at the option of the Issuer, subject to the provision of Condition (A) (*Conditions to Redemption*) in whole, but not in part, on the First Call Date and on any Interest Payment Date thereafter at their principal amount together with Deferred

Interest (if any) and any other accrued but unpaid interest thereon, subject to having given not less than 30 nor more than 45 calendar days' prior notice to the Noteholders (in accordance with Condition 15 (*Notices*)).

- (c) *Redemption for tax reasons:* The Notes may be redeemed at any time, in whole or in part, at their principal amount, together with Deferred Interest (if any) and any other accrued but unpaid interest up to (but excluding) the redemption date, subject to having given no less than 30 nor more than 45 calendar days' prior notice to the Noteholders (in accordance with Condition 15 (*Notices*) (and subject to Condition 7(g) (*Conditions to Redemption*))), at the option of the Issuer upon the occurrence of a Tax Event.

A "**Tax Event**" is deemed to have occurred if:

- (A) the Issuer has or will become obliged to pay Additional Amounts (as defined in Condition 9 (*Taxation*) below) as a result of any change in, or amendment to, the laws or regulations of a Taxing Jurisdiction or any political subdivision or any authority thereof or therein having power to tax (including any treaty to which such Taxing Jurisdiction is a party), or any change in the application or official or generally published interpretation of such laws or regulations (including a change or amendment resulting from a ruling by a court or tribunal of competent jurisdiction), which change or amendment becomes effective on or after the First Issue Date, and such obligation cannot be avoided by the Issuer taking reasonable measures it deems appropriate; or
- (B) the deductibility of interest payable by the Issuer in respect of the Notes is materially reduced for income tax purposes as a result of any change in, or amendment to, the laws or regulations or applicable accounting standards of the Taxing Jurisdiction or any political subdivision or any authority thereof or therein having power to tax (including any treaty to which the Taxing Jurisdiction is a party), or any change in the application or official or generally published interpretation of such laws or regulations or applicable accounting standards (including a change or amendment resulting from a ruling by a court or tribunal of competent jurisdiction), which change or amendment becomes effective on or after the First Issue Date, and such non-deductibility cannot be avoided by the Issuer taking reasonable measures available to it.

- (d) *Redemption for regulatory reasons:*

The Notes may be redeemed at any time, in whole or in part, at their principal amount, together with Deferred Interest (if any) and any other accrued but unpaid interest up to (but excluding) the redemption date, subject to having given no less than 30 nor more than 45 calendar days' prior notice to the Noteholders (in accordance with Condition 15 (*Notices*)) (and subject to Condition 7(g) (*Conditions to Redemption*))), at the option of the Issuer upon the occurrence of a Regulatory Event.

A "**Regulatory Event**" is deemed to have occurred if:

- (A) the Issuer is no longer subject to the regulatory supervision of the Relevant Supervisory Authority; or
- (B) the Issuer (x) is subject to regulatory supervision by the Relevant Supervisory Authority and (y) is no longer permitted to treat the Notes (in

whole or in part) as eligible for the purposes of the determination of the solvency margin or capital adequacy levels of the Issuer and/or the Group as at least Tier 2 Own Funds, except where this is merely the result of exceeding any then applicable limits on the inclusion of the Notes as own funds, or Tier 2 Own Funds, as the case may be.

- (e) *Purchase*: The Issuer may - subject to prior approval of the Relevant Supervisory Authority if so required under applicable legislation at the relevant time (and subject to the Conditions to Purchase) - at any time purchase Notes in the open market or otherwise and at any price.
- (f) *Cancellation*: All Notes so redeemed or purchased by the Issuer shall be cancelled and may not be reissued or resold.
- (g) *Conditions to Redemption*: Any redemption or purchase of the Notes (including redemption at Maturity Date) as described above is subject to the following conditions (the "**Conditions to Redemption**" or, as applicable, "**Conditions to Purchase**"):
 - (i) the Issuer has obtained the prior approval of the Relevant Supervisory Authority; and
 - (ii) unless the Suspension Waiver Conditions are satisfied, no Solvency Capital Event has occurred and is continuing on the date due for redemption or the proposed date for the purchase of the Notes, and such redemption or, as the case may be, purchase would not itself cause a Solvency Capital Event to occur; and
 - (iii) the Solvency Condition is satisfied on the date due for redemption or the proposed date for the purchase of the Notes and such redemption or, as the case may be, purchase would not itself cause the Solvency Condition not to be satisfied; and
 - (iv) in the case of any redemption or purchase that is within five years of the First Issue Date, such redemption or purchase shall be funded out of proceeds of a new issuance of, or the relevant Notes are exchanged or converted into, another basic own-fund item of at least the same quality as the Notes,

unless, with reference to each of sub-(i) to sub-(iv) above, such condition is no longer a requirement under then prevailing Relevant Regulations in order for the Notes to qualify as regulatory capital of the Issuer.

In addition, if, at the time of any redemption or purchase, the then prevailing Relevant Regulations permit the redemption and/or purchase of the Notes only after compliance with one or more pre-condition(s) in alternative or in addition to those set out in sub-(i) to sub-(v) above, the Issuer shall comply with such other and/or, as appropriate, additional pre-condition(s) and the term "**Conditions to Redemption**" or, as applicable, "**Conditions to Purchase**" shall be deemed to include such other and/or, as appropriate, additional pre-condition(s).

If and for so long as the Conditions to Redemption are not satisfied, any redemption of the Notes pursuant to Condition 7(b) (*Optional Redemption by the Issuer on or after the First Call Date*), Condition 7(c) (*Redemption for tax reasons*) or Condition 6(d) (*Redemption for regulatory reasons*) above already notified to the Noteholders,

or scheduled redemption of the Notes on the Maturity Date pursuant to Condition 7(a) (*Scheduled redemption*) above, shall (subject to the paragraph immediately below) be suspended and the relevant redemption date postponed in accordance with Condition 7(h) (*Suspension of redemption following Solvency Capital Event*) or Condition 7(i) (*Suspension of redemption on Solvency Condition not being satisfied*) below.

Notwithstanding the occurrence of a Solvency Capital Event, but always subject to all other Conditions to Redemption or, as applicable, Conditions to Purchase, being satisfied, the Issuer may redeem or, as the case may be, purchase the Notes if:

- (A) the Relevant Supervisory Authority has exceptionally waived the suspension of the redemption or purchase of the Notes; and
- (B) the relevant Notes are exchanged for or converted into another basic own-fund item of at least the same quality or the redemption or purchase of the Notes is funded out of proceeds from the issuance of own funds of at least the same quality; and
- (C) the Minimum Capital Requirement is complied with after the redemption or purchase

((A) to (C) together, the "**Suspension Waiver Conditions**"). Any redemption of the Notes following satisfaction of the Suspension Waiver Conditions may take place on the original redemption date or on a date (specified in the notice to be delivered by the Issuer to the Noteholders) subsequent thereto following satisfaction of the Suspension Waiver Conditions.

In the event of any suspension of redemption pursuant to this Condition 7(g), interest shall – subject to Condition 5 (*Mandatory deferral of interest*) - continue to accrue on the Notes until such Notes are redeemed in full.

- (h) *Suspension of redemption following Solvency Capital Event*: If a suspension of the redemption of the Notes results from the occurrence of a Solvency Capital Event, the Notes shall - subject in the case of (i) and (ii) below, to the Solvency Condition being satisfied and continues to be satisfied on the relevant date - instead become due for redemption at their principal amount, together with Deferred Interest (if any) and any other accrued but unpaid interest up to (but excluding) the redemption date upon the earliest of:
 - (i) the date (specified in the notice to be delivered by the Issuer to the Noteholders) falling 10 Business Days after the date the Solvency Capital Event has been remedied (provided that if on such tenth Business Day a further Solvency Capital Event has occurred and is continuing or redemption of the Notes would itself cause a Solvency Capital Event to occur, then the Notes shall not be redeemed on such date and the provisions of this paragraph shall apply mutatis mutandis to determine the subsequent date for redemption of the Notes); or
 - (ii) the date on which voluntary or involuntary winding-up, dissolution, liquidation or bankruptcy (including, *inter alia*, *Liquidazione Coatta Amministrativa* pursuant to the Consolidated Law on Private Insurance Companies) proceedings are instituted in respect of the Issuer.

- (iii) the date on which voluntary or involuntary winding-up, dissolution, liquidation or bankruptcy (including, *inter alia*, *Liquidazione Coatta Amministrativa* pursuant to the Consolidated Law on Private Insurance Companies) proceedings are instituted in respect of the Issuer.
- (i) *Suspension of redemption on Solvency Condition not being satisfied*: If a suspension of the redemption of the Notes results from the non-satisfaction of the Solvency Condition, the Notes shall instead become due for redemption, at their principal amount together with Deferred Interest (if any) and any other accrued but unpaid interest up to (but excluding) the redemption date, on the earlier of:
 - (i) the date (specified in the notice to be delivered by the Issuer to the Noteholders) falling 10 Business Days immediately following the day on which the Solvency Condition is satisfied, provided that if on such tenth Business Day the Solvency Condition is no longer satisfied, or a Solvency Capital Event has occurred and is continuing, or would occur if the Notes were to be redeemed, then the Notes shall not be redeemed on such date and Conditions 7(g) (*Conditions to redemption*) and 7(h) (*Suspension of redemption following Solvency Capital Event*) (if such further suspension is due to a Solvency Capital Event) or Condition 7(g) (*Conditions to redemption*) and this Condition 7(i) (*Suspension of redemption on Solvency Condition not being satisfied*) (if such further suspension is due to the operation of the Solvency Condition) shall apply *mutatis mutandis* to determine the date of the redemption of the Notes; or
 - (ii) the date on which voluntary or involuntary winding-up, dissolution, liquidation or bankruptcy (including, *inter alia*, *Liquidazione Coatta Amministrativa* pursuant to the Consolidated Law on Private Insurance Companies) proceedings are instituted in respect of the Issuer.
- (j) Notice of suspension: Notice of any suspension of redemption must be given to Noteholders (in accordance with Condition 15 (*Notices*)) as soon as reasonably practicable. The Issuer shall also notify the Noteholders (in accordance with Condition 15 (*Notices*)) of the date on which the Notes are to be redeemed following satisfaction of the Suspension Waiver Conditions (if a prior notice of suspension has been given) or pursuant to sub-paragraphs (i) or (ii) of Condition 7(h) (*Suspension of redemption following Solvency Capital Event*) or sub-paragraph (i) of Condition 7(i) (*Suspension of redemption on Solvency Condition not being satisfied*) above as soon as reasonably practicable. Failure to deliver notice shall not invalidate any suspension of redemption.
- (k) *Suspension of redemption shall not constitute default*: Any suspension of redemption of the Notes in accordance with Condition 7(g) (*Conditions to redemption*), Condition 6(h) (*Suspension of redemption following Solvency Capital Event*) or Condition 6(i) (*Suspension of redemption on Solvency Condition not being satisfied*) above will not constitute a default by the Issuer or any other breach of obligations by the Issuer under these Conditions and will not give Noteholders any right to accelerate the Notes such that amounts of principal, interest or Deferred Interest would become due and payable on the Notes earlier than otherwise provided under these Conditions.

8 PAYMENTS

- (a) *Principal and interest:* Payment of principal and interest in respect of the Notes will be credited, according to the instructions of Monte Titoli, by the relevant Paying Agent (as defined below) on behalf of the Issuer to the accounts of those banks and authorised brokers whose accounts with Monte Titoli are credited with those Notes and thereafter credited by such banks and authorised brokers from such aforementioned accounts to the accounts of the beneficial owners of those Notes.
- (b) *Payments subject to fiscal laws:* All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 9 (*Taxation*). No commissions or expenses shall be charged to the Noteholders in respect of such payments.
- (c) *Payments on business days:* If the due date for payment of any amount in respect of the Notes is not a business day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding business day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

In this paragraph, "**business day**" means, in respect of any place of presentation, any day on which banks are open for presentation and payment of bearer debt securities and for dealings in foreign currencies in such place of presentation and, in the case of payment by transfer to a Euro account as referred to above, on which the TARGET System is open.

9 TAXATION

All payments of principal and interest in respect of the Notes by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for, any present or future taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed or on behalf of the Republic of Italy or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer shall pay such additional amounts ("**Additional Amounts**") as will result in receipt by the Noteholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such Additional Amounts shall be payable in respect of any Note:

- (i) in the Republic of Italy; or
- (ii) by or on behalf of a holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of its having some connection with the Republic of Italy other than the mere holding of such Note; or
- (iii) to the extent that interest or any other amount payable is paid to a non-Italian resident entity or a non-Italian resident individual which is resident for tax purposes in one of the countries or territories not allowing the Italian tax authorities to obtain appropriate information in respect of the beneficiary of the payments made from the Republic of Italy (the states allowing for an adequate exchange of information with

the Republic of Italy are those listed in Ministerial Decree of 4 September 1996, as amended and supplemented); or

- (iv) by an Italian resident, to the extent that interest is paid to an Italian individual or an Italian legal entity not carrying out commercial activities (in particular (A) partnerships, de facto partnerships not carrying out commercial activities and professional associations, (B) public and private resident entities, other than companies, not carrying out commercial activities, (C) real estate investment funds referred to in Law No. 86 of 25 January 1994, and (D) certain other Persons exempt from corporate income tax) or to such other Italian resident entities which have been or may be identified by Legislative Decree No. 239 of 1 April 1996 and related regulations of implementation which have been or may subsequently be enacted ("**Legislative Decree No. 239**"); or
- (v) in all circumstances in which the requirements and procedures set forth in Legislative Decree No. 239 have not been met or complied with except where such requirements and procedures have not been met or complied with due to the actions or omissions of the Issuer or its agents; or
- (vi) more than 30 days after the Relevant Date except to the extent that the relevant holder would have been entitled to such additional amounts if it had requested such payment in respect of such Note on the last day of such period of 30 days; or
- (vii) in respect of Notes classified as atypical securities where such withholding or deduction is required under Law Decree No. 512 of 30 September 1983, as amended and supplemented from time to time; or
- (viii) any combination of items (i) through (vii).

Taxing jurisdiction: If the Issuer becomes subject at any time to any taxing jurisdiction other than the Republic of Italy, references in these Conditions to the Republic of Italy shall be construed as references to and/or such other jurisdiction.

10 ENFORCEMENT EVENTS

There will be no events of default in respect of the Notes. However, each Note shall become immediately due and payable at its principal amount, together with accrued interest thereon to the date of payment and any Deferred Interests, if (i) the *Liquidazione Coatta Amministrativa* of the Issuer is commenced pursuant to the Consolidated Law on Private Insurance Companies or the Issuer becomes subject to a liquidation order or (ii) any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in (i).

11 PRESCRIPTION

Claims for principal shall become void unless the relevant Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest shall become void unless the request for payment is presented within five years of the appropriate Relevant Date.

12 PAYING AGENT

The Issuer is entered into an agency agreement with a financial intermediary which will act, pursuant to this agreement, as paying agent with reference to the issuance of the Notes

described in this Listing Particulars (the “**Paying Agent**”). The Issuer reserves the right at any time to vary or terminate the appointment of the Paying Agent and to appoint a successor agent.

Notice of any change in any of the Paying Agent shall promptly be given to the Noteholders.

13 MEETINGS OF NOTEHOLDERS

Meetings of Noteholders will be convened and held in compliance with the laws, legislation, rules and regulation of Italy in force and applicable to the Issuer from time to time.

14 FURTHER ISSUES

The Issuer may from time to time, without the consent of the Noteholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes.

15 NOTICES

All notices regarding the Notes will be valid if published on the website of the Issuer (www.netinsurance.it) under Section “*Investor Relations – Strumenti Finanziari*”.

16 CURRENCY INDEMNITY

If any sum due from the Issuer in respect of the Notes or any order or judgment given or made in relation thereto has to be converted from the currency (the “**first currency**”) in which the same is payable under these Conditions or such order or judgment into another currency (the “**second currency**”) for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

17 ROUNDING

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions, including Condition 6(a)), all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.).

18 GOVERNING LAW AND JURISDICTION

(a) *Governing law:* The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by, and shall be construed in accordance

with, the laws of the Republic of Italy. Provisions concerning the status and subordination of the Notes are also governed by the laws of the Republic of Italy.

- (b) *Italian courts*: The courts of Italy have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with the Notes (including a dispute regarding any non-contractual obligation arising out of or in connection with the Notes).
- (c) *Appropriate forum*: The Issuer agrees that the courts of Italy are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.