

**NOTICE**  
**to the holders of**  
**€135,000,000 1.950 per cent. Notes due 13 April 2024**  
**(ISIN: XS1596790631)**  
**issued by**  
**SOCIETÀ METROPOLITANA ACQUE TORINO S.p.A.**

This Notice is given by Società Metropolitana Acque Torino S.p.A. (the "Issuer") in connection with the €135,000,000 1.950 per cent. Notes due 13 April 2024 (ISIN: XS1596790631) originally issued by the Issuer on 13 April 2017 (the "Notes"). Except where expressly stated in this Notice or where the context requires otherwise, words and expressions in this Notice have the meanings given to them in the terms and conditions relating to the Notes (the "Conditions").

The Issuer hereby gives notice to the holders of the Notes (the "Noteholders") as follows:

1. on 6 March 2024, the Issuer's Board of Directors resolved to convene a meeting of the Noteholders in order to amend the Conditions;
2. at the meeting of Noteholders on 14 March 2024, the resolution to amend the Conditions (the "Resolution") was unanimously passed;
3. on 19 March 2024, registration of the Resolution at the Companies' Registry of Turin, along with the corresponding resolution by the Issuer's Board of Directors, was duly completed;
4. with a view to giving full effect to the amendments to the Conditions, the Issuer and BNP Paribas, Luxembourg Branch, as fiscal agent and paying agent (in such capacity, the "Fiscal Agent") and as agent bank, have entered into a supplemental fiscal agency agreement dated today's date (the "Supplemental Agency Agreement"), which is supplemental to the fiscal agency agreement relating to the Notes between the same parties dated 13 April 2017;
5. the period over which Noteholders may exercise the put option granted to them by the Issuer under the Resolution (the "Put Option") will commence on 21 March 2024 and end on 8 April 2024 (the "Put Option Exercise Period"); and
6. the Conditions, as amended by the Resolution, are set out in the Schedule (*Amended Terms and Conditions of the Notes*) to this Notice.

**Effect of amendments**

The effect of the amendments to the Conditions is as follows:

1. the maturity of the Notes has been extended by five years, from 13 April 2024 (the "Original Maturity Date") to 13 April 2029;
2. with effect from the Original Maturity Date, the interest rate of the Notes will be reset on the basis of the following formula, to be determined at 11.00 (CET) on 11 April 2024 (being two TARGET Settlement Days before the Original Maturity Date):  

5-year mid swaps rate + 1.70%
3. the Notes will henceforth be known as "€135,000,000 Puttable Resettable Fixed Rate Notes due 2029"; and

4. Notes held by Noteholders duly exercising the Put Option during the Put Option Exercise Period will be redeemed on the Original Maturity Date, together with accrued interest, and will be cancelled, without being reissued or resold.

#### Further notices and indicative timetable

The following table sets out the expected times and dates of the key events to follow, including any further notices that the Issuer expects to publish. The times and dates below are indicative only.

<u>Date</u>	<u>Action</u>
21 March 2024	Start date of put option exercise period
8 April 2024	End date of put option exercise period
9 April 2024	Notice published announcing the principal amount of Notes to be redeemed as a result of exercise of the put option
11 April 2024	Notice published announcing determination of rate of interest for the remaining duration of the Notes from (and including) 13 April 2024
15 April 2024	Settlement date for Noteholders who exercise the put option <sup>(3)</sup>

<sup>(3)</sup> Payable on this date, as 13 April 2024 is a Saturday and therefore not a business day.

Notices referred to above will be published on the websites of Euronext Dublin (<https://live.euronext.com>) and of the Issuer (<https://www.smatorino.it/bilanci/>), and delivered to Noteholders through Clearstream, Luxembourg and Euroclear.

#### Documents on Display

For so long as the Notes remain outstanding, the following documents are available for inspection by Noteholders at the specified offices of the Fiscal Agent (in addition to those already available):

- the Conditions, as amended by the Resolution; and
- the Supplemental Agency Agreement.

#### Further Information

For further information, please contact:

Società Metropolitana Acque Torino S.p.A.  
Corso XI Febbraio, 14  
10152 Turin  
Italy

Attn: Armando Quazzo, CEO  
Email: [armando.quazzo@smatorino.it](mailto:armando.quazzo@smatorino.it)

  
For and on behalf of  
**SOCIETÀ METROPOLITANA ACQUE TORINO S.p.A.**

Registered office: Corso XI Febbraio 14, 10152 Turin, Italy  
Company registration number and tax code: 07937540016  
Share capital: €345,533,761.65

Date: 20 March 2024

## SCHEDULE

### Amended Terms and Conditions of the Notes

The €135,000,000 Puttable Resettable Fixed Rate Notes due 2029 (the “Notes”, which expression includes any further notes issued pursuant to Condition 14 (*Further issues*) and forming a single series therewith) of Società Metropolitana Acque Torino S.p.A. (the “Issuer”) are subject to, and have the benefit of, a fiscal agency agreement dated 13 April 2017 (as amended or supplemented from time to time, the “Fiscal Agency Agreement”) between the Issuer and BNP Paribas, Luxembourg Branch as fiscal agent (the “Fiscal Agent” which expression shall include all persons for the time being acting as fiscal agent under the Fiscal Agency Agreement), any other paying agents named therein (the “Paying Agents”, which expression shall include all persons for the time being acting as paying agents under the Fiscal Agency Agreement) and any agent bank appointed thereunder from time to time (in such capacity, the “Agent Bank”). These terms and conditions (the “Conditions”) include summaries of, and are subject to, the detailed provisions of the Fiscal Agency Agreement. The Fiscal Agency Agreement includes the form of the Notes and the coupons relating to them (the “Coupons”). Copies of the Fiscal Agency Agreement are available for inspection during normal business hours at the specified offices of the Paying Agents indicated in the Fiscal Agency Agreement. The holders of the Notes (the “Noteholders”) and the holders of the Coupons (whether or not attached to the relevant Notes) (the “Couponholders”) are deemed to have notice of all the provisions of the Fiscal Agency Agreement applicable to them.

#### 1 Definitions and interpretation

(a) **Definitions:** in these Conditions:

“Accounting Principles” means International Financial Reporting Standards, as adopted by the European Union.

“acting in concert” means, in relation to two or more Persons, any event or circumstances whereby, pursuant to an agreement, arrangement or understanding (whether formal or informal), such Persons co-operate, through the acquisition or holding of voting rights exercisable at a shareholders’ or equivalent meeting of the Issuer by any of them, either directly or indirectly, for the purposes of obtaining or consolidating control of the Issuer.

“Affiliate” means, at any time, and with respect to any Person (the “first Person”), any other Person that at such time directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, the first Person.

“Assumed Concession Liabilities” means financial liabilities relating to a concession in the integrated water cycle sector and assumed by the Issuer or any of its Subsidiaries from time to time as a result of the award of that concession pursuant to Article 153, paragraphs 1 and 2 of Legislative Decree No. 152 of 3 April 2006.

“Calculation Amount” means €100,000 in principal amount of the Notes.

a “Change of Control” will be deemed to occur if (A) any Person or Persons acting in concert (in each case, other than one or more Permitted Holders), together with any of their Affiliates, has or gains control of the Issuer or (B) the City of Turin ceases to hold, directly or indirectly, or own (beneficially or otherwise) (i) more than 50.1 per cent. of the issued share capital of the Issuer, (ii) issued share capital having the right to cast more than 50.1 per cent per cent. of the votes capable of being cast in general meetings of the Issuer or (iii) the right to determine the composition of the majority of the board of directors or equivalent body of the Issuer.

**“Compliance Certificate”** means the compliance certificate, substantially in the form attached to the Fiscal Agency Agreement, to be made available by the Issuer on each Reporting Date and signed by a duly authorised signatory of the Issuer, confirming that:

- (i) it is in compliance with the covenant contained in Condition 4(a) (*Limitation on indebtedness*), setting out the amount of the Issuer’s Net Financial Debt to EBITDA; and
- (ii) as far as the Issuer is aware, no Put Event has occurred in the Financial Period and there have been no events, developments or circumstances that would materially affect its ability to provide such confirmation as at the date of the certificate since the end of the last Financial Period.

a **“Concession Event”** will be deemed to have occurred if at any time the SMAT Concession or the Single Concession Contract is dissolved, terminated prior to its expiry date or revoked, or declared null and void by the competent authority or otherwise ceases to have effect for any reason.

**“Consolidated Assets”** means, with respect to any date, the consolidated total assets, as reported in the Financial Statements.

**“Consolidated Revenues”** means, with respect to any date, the consolidated total revenues, as reported in Financial Statements.

**“control”** means, for all purposes in connection with Condition 7(c) (*Redemption at the option of Noteholders upon a Put Event*):

- (i) in respect of a Person which is a company or a corporation:
  - (A) the acquisition and/or holding of more than 50 per cent. of the share capital of such Person; or
  - (B) the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:
    - (1) cast, or control the casting of, more than one-half of the maximum number of votes that might be cast at a shareholders’ or equivalent meeting of such Person; or
    - (2) appoint or remove all or a majority of the members of its Board of Directors (or other equivalent body) of such Person; or
- (ii) in respect of any other Person (other than a company or a corporation), the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting rights, by contract or otherwise,

and the expressions **“controlling”**, **“controlled”** and **“controlled by”** shall be construed accordingly.

**“Determination Date”** means the last day of the Issuer’s financial year.

**“EBITDA”** means, in respect of any Financial Period, the operating profit before taxes, before deducting net financial income and expenses but after deducting the debt service relating to Assumed Concession Liabilities and adding back amortisation, in each case calculated on a consolidated basis and as shown in, or determined by reference to, the Group’s latest audited consolidated annual financial statements.

**"EUR 5 year Swap Rate"** has the meaning given to it in Condition 6A (*Determination of Reset Rate of Interest*).

**"EUR 5 year Swap Rate Quotation"** means, in relation to period from (and including) the Interest Reset Date to (but excluding) the Final Maturity Date, the arithmetic mean of the bid and offered rates for the annual fixed leg (calculated on a 30/360 day count basis) of a fixed-for-floating euro interest rate swap which:

- (i) has a term of five years commencing on the Reset Interest Determination Date;
- (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market; and
- (iii) has a floating leg based on the 6-month EURIBOR rate (calculated on an Actual/360 day count basis);

**"Event of Default"** has the meaning given to it in Condition 10 (*Events of Default*).

**"Final Maturity Date"** has the meaning given to it in Condition 7(a) (*Final redemption*).

**"Financial Period"** means each period of 12 months ending on the Determination Date, the first such period being the 12-month period ending 31 December 2017.

**"Financial Statements"** means:

- (a) the income statement;
- (b) the balance sheet; and
- (c) the cash flow statement,

in each case, forming part of the most recent audited annual consolidated financial statements of the Issuer, together with any notes to those documents and any accompanying reports, statements, declarations, other documents or information.

**"Group"** means the Issuer and its consolidated Subsidiaries from time to time, as reflected in the Financial Statements.

**"Indebtedness"** means any financial indebtedness of any Person for money borrowed or raised.

an **"Initial Event"** means, in relation to a Concession Event, Change of Control or a transaction described under paragraph (iii) of the definition of "Permitted Reorganisation", the earlier of:

- (i) the occurrence of that event or the completion of that transaction; or
- (ii) the first public announcement of that event or transaction to be made either (A) by, or with the consent of, the Issuer or (B) in accordance with any legal obligation.

**"Interest Payment Date"** means 13 April in each year.

**"Interest Period"** means the period beginning on and including the Issue Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date.

**"Interest Reset Date"** means 13 April 2024.

**“Intermediate Holding Company”** means a Subsidiary of the Issuer which itself has Subsidiaries.

**“Issue Date”** has the meaning given to it in Condition 6 (*Interest*).

**“Material Subsidiary”** means any Subsidiary of the Issuer which accounts for more than 5 per cent. of the Consolidated Assets and Consolidated Revenues and, for these purposes:

- (i) the Group’s Consolidated Revenues and Consolidated Assets will be determined by reference to its then latest audited consolidated annual financial statements (the **“Relevant Consolidated Financial Statements”**); and
- (ii) the total revenues and total assets of each Subsidiary will be determined by reference to the annual financial statements (whether or not audited) of such Subsidiary and those of its own Subsidiaries (if any), in each case upon which the relevant consolidated financial statements of the Issuer have been based,

*provided that:* (A) if a Person has become a Subsidiary of the Issuer after the date on which the Relevant Consolidated Financial Statements have been prepared, the total revenues and total assets of that Subsidiary will be determined by reference to its latest annual financial statements (whether or not audited) and will be consolidated if that Subsidiary itself has Subsidiaries; (B) the Relevant Consolidated Financial Statements and the corresponding financial statements of each relevant Subsidiary will be adjusted (where appropriate) to reflect fairly the total revenues and total assets of, or represented by, any Person, business or assets subsequently acquired or disposed of; and (C) where an Intermediate Holding Company has one or more Subsidiaries at least one of which, under this definition, is a Material Subsidiary, then such Intermediate Holding Company will be deemed to be a Material Subsidiary.

**“Net Financial Debt”** means, as at the relevant Determination Date, the sum of the following items, each calculated on a consolidated basis:

- (i) total non-current financial liabilities; plus
- (ii) total current financial liabilities; plus
- (iii) total financial indebtedness arising from leasing and factoring transactions; less
- (iv) Assumed Concession Liabilities; less
- (v) payments on account by shareholders for capital increases; less
- (vi) cash and cash equivalents; less
- (vii) bonds and other immediately available financial market instruments, including capital-guaranteed insurance policies (solely in relation to the portion free from encumbrances),

in each case, as shown in, or determined by reference to, the Group’s latest audited consolidated annual balance sheet.

**“Permitted Holders”** means:

- (i) the municipalities or provinces in the Republic of Italy holding an equity interest in the share capital of the Issuer as at 12 April 2017, either directly or indirectly through one or more intermediate persons (including any consortiums incorporated pursuant to Article 31 of Legislative Decree No. 267 of 18 August 2000); or

- (ii) any Person directly or indirectly controlled by any of the foregoing;

**“Permitted Reorganisation”** means any *“fusione”* or *“scissione”* (such expressions bearing the meanings ascribed to them by the laws of the Republic of Italy) or any other reconstruction, amalgamation, reorganisation, merger, demerger, consolidation, disposal or transfer of assets or other similar arrangement (including any series of connected transactions) (each a **“Reorganisation”**):

- (i) on terms approved by an Extraordinary Resolution (as defined in the Fiscal Agency Agreement) of the Noteholders; or
- (ii) in the case of a Material Subsidiary, any Reorganisation whilst solvent, whereby all or substantially all of the assets and undertaking of such Subsidiary are transferred to or otherwise vested in the Issuer or another Subsidiary;
- (iii) in the case of the Issuer, any Reorganisation whereby all or substantially all of the Issuer’s assets and undertaking are transferred, sold, contributed or assigned to or otherwise vested in one or more bodies corporate in good standing, validly organised and existing under the laws of the Republic of Italy (each, a **“Relevant Entity”**) and the following conditions are satisfied:
  - (A) either:
    - (i) the Issuer continues to be the principal debtor in respect of the Notes; or
    - (ii) one Relevant Entity assumes the obligations of the Issuer as principal debtor in respect of the Notes by operation of law; and
  - (B) where a Substantial Part of the Issuer’s assets and undertaking is transferred, sold, contributed or assigned to or otherwise vested in one or more Relevant Entities, each such Relevant Entity (other than a Relevant Entity that has assumed the obligations as principal debtor pursuant to (A)(ii) above), on terms substantially in accordance with market standards for Eurobond transactions, unconditionally and irrevocably guarantees in favour of each Noteholder the due and punctual payment of all sums payable by the Issuer or, as the case may be, the Relevant Entity which has assumed the obligations of the Issuer as principal debtor in respect of the Notes by operation of law, under the Notes; and
  - (C) upon completion of such transaction, no Rating Event has occurred or occurs,

and, following satisfaction of the above conditions, where a Relevant Entity assumes the obligations of the Issuer under the Notes pursuant to paragraph (iii)(A)(ii) above, all references to the **“Issuer”** in these Conditions shall be read as references solely to that Relevant Entity, with effect from the date on which the Reorganisation becomes effective.

**“Permitted Security Interest”** means:

- (i) any Security Interest arising by operation of law in the ordinary course of business of the Issuer or a Material Subsidiary;
- (ii) any Security Interest (A) over or affecting any asset or undertaking transferred, sold, contributed or assigned to or otherwise vested in the Issuer or a Material Subsidiary after the Issue Date or (B) created by a Person which becomes a Material Subsidiary after the Issue Date, where such Security Interest already

exists at the time when that asset or undertaking is transferred, sold, contributed or assigned to or otherwise vested in the Issuer or a Material Subsidiary or (as the case may be) that Person becomes a Material Subsidiary *provided that* (1) such Security Interest was not created in connection with or in contemplation of the acquisition of that asset or, as the case may be, of that Person becoming a Material Subsidiary and (2) the aggregate principal amount of Indebtedness secured by such Security Interest is not increased and no additional assets become subject to such Security Interest, in both cases either in connection with or in contemplation of the transfer, sale, contribution, assignment or otherwise of that asset or undertaking or, as the case may be, that Person becoming a Material Subsidiary or at any time thereafter;

- (iii) any Security Interest (a **“New Security Interest”**) created in substitution for any existing Security Interest permitted under paragraph (ii) above (an **“Existing Security Interest”**), *provided that* (A) the principal amount of Indebtedness secured by the New Security Interest does not at any time exceed the principal amount of Indebtedness secured by the Existing Security Interest, and (B) the assets over which the New Security Interest is created are the same as, or substantially equivalent in value to, the assets over which the Existing Security Interest subsisted, immediately prior to its substitution;
- (iv) any Security Interest created to secure Relevant Indebtedness represented by project bonds issued pursuant to Article 157 of Italian Legislative Decree No. 163 of 12 April 2006 (as amended); or
- (v) any Security Interest which is created in connection with, or pursuant to, a securitisation or like arrangement whereby (i) the payment obligations in respect of the Indebtedness secured by the relevant Security Interest are to be discharged solely from the revenues generated by the assets over which such Security Interest is created (including, without limitation, receivables) and (ii) the relevant creditor has no recourse in relation to such Indebtedness against any other assets of any member of the Group.

**“Proceedings”** means any legal action or proceedings arising out of or in connection with the Notes or the Coupons.

a **“Put Event”** shall be deemed to occur if:

- (i) a Concession Event occurs; or
- (ii) a Change of Control occurs,

and a Rating Event occurs or has occurred.

**“Rate of Interest”** means:

- (i) for the period from (and including) the Issue Date to (but excluding) the Interest Reset Date, 1.950 per cent. per annum; and
- (ii) for the period from (and including) the Interest Reset Date to (but excluding) the Final Maturity Date, the Reset Rate of Interest.

**“Rating Agency”** means any agency which is established in the European Economic Area and registered as a credit rating agency under Regulation (EU) No. 1060/2009, as amended.

a **“Rating Event”** will be deemed to have occurred following an Initial Event if, at the time of the occurrence of the Initial Event, the Notes carry from any Rating Agency either



- (i) an investment grade credit rating (BBB-/Baa3/BBB-, or equivalent, or better), and such rating from any Rating Agency is within 90 days of the occurrence of the Initial Event either downgraded to a non-investment grade credit rating (BB+/Ba1/BB+, or equivalent, or worse) or withdrawn and is not within such 90-day period subsequently (in the case of a downgrade) upgraded to an investment grade credit rating by such Rating Agency or (in the case of a withdrawal) replaced by an investment grade credit rating from any other Rating Agency; or
- (ii) a non-investment grade credit rating (BB+/Ba1/BB+, or equivalent, or worse), and such rating from any Rating Agency is within 90 days of the occurrence of the Initial Event downgraded by one or more notches (for illustration, Ba1 to Ba2 being one notch) and is not within such 90-day period subsequently upgraded to its earlier credit rating or better by such Rating Agency; or
- (iii) no credit rating, and no Rating Agency assigns within 90 days of the occurrence of the Initial Event an investment grade credit rating to the Notes,

and in making the relevant decision(s) referred to above, the relevant Rating Agency announces publicly or confirms in writing to the Issuer that such decision(s) resulted, in whole or in part, from the occurrence of the Initial Event.

**“Reference Bank Rate”** means the percentage rate determined by the Agent Bank on the basis of the EUR 5 year Swap Rate Quotations provided by the Reference Banks to the Issuer and notified to the Agent Bank at approximately 11.00 a.m. (CET) on the Reset Interest Determination Date.

**“Reference Banks”** means five major banks in the Euro-zone interbank market selected by the Issuer.

**“Relevant Indebtedness”** means any present or future Indebtedness which is in the form of, or represented by, any bond, note, debenture, certificate or other securities and which is, or is capable of being, traded, quoted, listed or dealt in on any stock exchange or any over-the-counter or other securities market.

**“Relevant Taxing Jurisdiction”** means the Republic of Italy or any political subdivision or any agency or authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any agency or authority thereof or therein having power to tax to which the Issuer may become subject in respect of payments of principal and interest on the Notes and Coupons.

**“Reporting Date”** means a date falling no later than 30 days after the approval by the board of directors of the Issuer’s consolidated financial statements, with respect to each Financial Period ending on 31 December, provided that the approval shall be obtained within 180 days of the end of the Financial Period, the first Reporting Date being the date falling no later than 30 days after the approval by the board of directors of the Issuer’s consolidated financial statements for the year ending 31 December 2016.

**“Reset Interest Determination Date”** means two TARGET Settlement Days before the Interest Reset Date.

**“Reset Rate of Interest”** means the EUR 5 year Swap Rate plus 1.70 per cent. per annum, as determined by the Agent Bank on the Reset Interest Determination Date.

**“Screen Page”** means the Thomson Reuters screen “ICESWAP2” (or such other page as may replace it on Thomson Reuters or, as the case may be, on such other information service that may replace Reuters providing or sponsoring the

information appearing there for the purpose of displaying rates comparable to the EUR 5 Year Swap Rate).

**“Security Interest”** means, without duplication, a mortgage, charge, pledge, lien or other security interest.

**“Single Concession Contract”** means the concession agreement entered into on 1 October 2004 between the Issuer and the *Autorità d’ambito Torinese A.T.O. 3*, governing the SMAT Concession.

**“SMAT Concession”** means the legal concession granted by the *Autorità d’ambito Torinese A.T.O. 3* as concession grantor to the Issuer pursuant to applicable laws and regulations relating to the supply of integrated water services to the territory referred to in such legislation as “ATO3 – Torinese” under terms and conditions provided under the Single Concession Contract.

**“Subsidiary”** means in relation to any company, corporation or legal entity (a **“holding company”**), any company, corporation or legal entity which is controlled, directly or indirectly, by the holding company pursuant to article 2359 of the Italian Civil Code and is consolidated on a line-by-line basis in the holding company’s Financial Statements in accordance with the Accounting Principles.

a **“Substantial Part”** of the business, property, assets, undertaking or revenues of the Issuer or any of its Subsidiaries shall mean (as the case may be):

- (i) such business, property, assets or undertaking as account for at least 35 per cent. of the total assets of the Group; or
- (ii) such revenues as account for at least 35 per cent. of the total revenues of the Group.

**“TARGET Settlement Day”** means any day on which the TARGET System is open.

**“TARGET System”** means the Trans-European Automated Real-Time Gross Settlement Express Transfer System (TARGET2) or any successor thereto.

**“Unconditional Put Option Exercise Period”** means the period commencing on 21 March 2024 and ending on 8 April 2024.

(b) **Interpretation:** in these Conditions:

- (i) **“business day”** means a day on which commercial banks and foreign exchange markets are open in the relevant city and which is a TARGET Settlement Day;
- (ii) **“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;
- (iii) **“Relevant Date”** means whichever is the later of (i) the date on which such payment first becomes due and (ii) if the full amount payable has not been received by the Fiscal Agent on or prior to such due date, the date on which, the full amount having been so received, notice to that effect shall have been given to the Noteholders;
- (iv) any reference in these Conditions to principal and/or interest shall be deemed to include any additional amounts which may be payable under these Conditions; and

- (v) any reference in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to Condition 14 (*Further issues*) and forming a single series with the Notes.

## 2 Form, denomination and title

- (a) **Form and denomination:** The Notes are serially numbered and in bearer form in denominations of €100,000, with Coupons attached at the time of issue.
- (b) **Title:** Title to the Notes and Coupons passes by delivery. The holder of any Note or Coupon will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it, or its theft or loss) and no Person will be liable for so treating the holder.

## 3 Status of the Notes

The Notes and Coupons constitute (subject to Condition 5 (*Negative Pledge*)) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes and the Coupons shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 5 (*Negative Pledge*), at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

## 4 Covenants and Compliance Certificate

- (a) **Limitation on indebtedness:** For so long as the Notes remain outstanding, the Issuer shall ensure that its Net Financial Debt-to-EBITDA ratio is no more than 5.0 to 1.0.
- (b) **Compliance Certificate:** For so long as the Notes remain outstanding:
  - (i) the financial ratio set out in Condition 4(a) (*Limitation on indebtedness*) shall be tested as at each Determination Date following approval by the Issuer's Board of Directors (or equivalent body) of the Financial Statements, so that the financial ratios will be tested once in each financial year based on the previous Financial Period, as evidenced by the Compliance Certificate in relation to such Financial Period delivered pursuant to Condition 4(c) (*Delivery of financial information*) and for the first time in respect of the 12-month period ending 31 December 2017; and
  - (ii) the Issuer shall, on each Reporting Date, make available for inspection by any Noteholder or Couponholder, free of charge at its own registered office and at all reasonable times during normal business hours at the specified office of each Paying Agent, a Compliance Certificate.
- (c) **Delivery of financial information:** The Issuer shall, as soon as the same becomes available and in any event no later than the Reporting Date, deliver to the Fiscal Agent an electronic copy of its Financial Statements for the Financial Period. The Issuer shall ensure that each set of Financial Statements is audited by independent auditors. So long as any of the Notes remains outstanding (as defined in the Agency Agreement), the Issuer shall make available for inspection by any Noteholder or Couponholder, free of charge at its own registered office and at all reasonable times during normal business hours at the specified office of each Paying Agent, the Financial Statements for the Financial Period.
- (d) **Accounting policies:** The Issuer shall ensure that each set of Financial Statements delivered pursuant to Condition 4(c) (*Delivery of financial information*) is prepared using accounting policies, practices and procedures consistent with those applied in

the preparation of the immediately preceding annual consolidated financial statements of the Group unless, in relation to any such set of Financial Statements, the Issuer includes in those financial statements (or provides the Fiscal Agent, for inspection by the Noteholders, with): (i) a description of any changes in accounting policies, practices and procedures; and (ii) sufficient information to make an accurate comparison between such Financial Statements and the previous financial statements.

#### 5 Negative Pledge:

So long as any Note remains outstanding (as defined in the Fiscal Agency Agreement), the Issuer shall not, and the Issuer shall procure that none of its Material Subsidiaries will, create or permit to subsist any Security Interest (other than a Permitted Security Interest) upon the whole or any part of its undertaking, assets or revenues, present or future to secure any Relevant Indebtedness or to secure any guarantee or indemnity in respect of any Relevant Indebtedness, without at the same time or prior thereto:

- (i) securing the Notes equally and rateably therewith; or
- (ii) providing such other security, guarantee or other arrangement for the Notes as may be approved by an Extraordinary Resolution (as defined in the Fiscal Agency Agreement) of the Noteholders.

#### 6 Interest

- (a) The Notes bear interest from and including 13 April 2017 (the "Issue Date") at the Rate of Interest, payable annually in arrear on each Interest Payment Date, commencing on 13 April 2018.
- (b) Each Note will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused. In such event it shall 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 holder, and (b) the day which is seven days after the Fiscal Agent has notified Noteholders of receipt of all sums due in respect of all the Notes up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).
- (c) Where interest is to be calculated in respect of a period which is equal to or shorter than an Interest Period, the day-count fraction used will be the number of days in the relevant period, from and including the date from which interest begins to accrue to but excluding the date on which it falls due, divided by the number of days in the Interest Period in which the relevant period falls (including the first such day but excluding the last).
- (d) Interest in respect of any Note shall be calculated per Calculation Amount. The amount of interest payable per Calculation Amount for any period shall be equal to the product of the Rate of Interest, the Calculation Amount and the day-count fraction for the relevant period, rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

#### 6A Determination of Reset Rate of Interest

- (a) For the purposes of determining the Reset Rate of Interest, the "EUR 5 year Swap Rate" means the annual mid-swap rate as displayed on the Screen Page as at 11.00 a.m. (CET) on the Reset Interest Determination Date.

- (b) If that rate does not appear on the Screen Page at such time on the Reset Interest Determination Date, the Issuer shall request each of the Reference Banks to provide it with its EUR 5 year Swap Rate Quotation (such EUR 5 year Swap Rate Quotation to be notified by the Issuer to the Agent Bank) and the Agent Bank will determine the EUR 5 year Swap Rate as the Reference Bank Rate on the Reset Interest Determination Date.
- (c) If at least three quotations are provided by the Reference Banks, the EUR 5 year Swap Rate will be determined by the Agent Bank on the basis of the arithmetic mean of the quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest).
- (d) If only two quotations are provided, the EUR 5 year Swap Rate will be the arithmetic mean of the quotations provided.
- (e) If only one quotation is provided, the Reference Banks Rate will be the quotation provided.
- (f) If no quotations are provided, the Reference Bank Rate for the relevant period will be equal to the last available EUR 5 year mid swap rate for euro swap transactions, expressed as an annual rate, on the Screen Page.
- (g) Upon its determination, notice of the Reset Rate of Interest will be given to Noteholders in accordance with Condition 15 (*Notices*).

## 7 Redemption and purchase

- (a) **Final redemption:** Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on 13 April 2029 (the “**Final Maturity Date**”).
- (b) **Redemption for taxation reasons:** The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days’ notice to the Noteholders (which notice shall be irrevocable), at their principal amount, (together with interest accrued to the date fixed for redemption), if (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 9 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the Relevant Taxing Jurisdiction or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 12 April 2017, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this Condition 7(b), the Issuer shall deliver to the Fiscal Agent a certificate signed by a duly authorised director of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.
- (c) **Redemption at the option of Noteholders upon a Put Event:** If at any time while any Note remains outstanding a Put Event occurs, the holder of each Note will have the option (a “**Conditional Put Option**”) (unless prior to the giving of the relevant Put Event Notice (as defined below) the Issuer has given notice of redemption under

Condition 7(b) (*Redemption for taxation reasons*) above) to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) that Note on the Put Date (as defined below) at its principal amount together with (or, where purchased, together with an amount equal to) accrued and unpaid interest (if any) to (but excluding) the Put Date.

Promptly and in any event within 10 business days from the date on which the Issuer becomes aware that a Put Event has occurred, the Issuer shall give notice (a "**Put Event Notice**") to the Noteholders in accordance with Condition 15 (*Notices*), with a copy to the Fiscal Agent, specifying the nature of the Put Event and the procedure for exercising the Conditional Put Option.

To exercise the Conditional Put Option, the holder of a Note must deliver such Note to the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the period (the "**Put Period**") of 30 days after a Put Event Notice is given, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (a "**Put Notice**") stating, *inter alia*, that such Noteholder requires early redemption (or, at the Issuer's option, purchase) of all or some of its Notes pursuant to this Condition 7(c). The Note shall be delivered together with all Coupons appertaining thereto maturing after the date which is 15 Business Days after the expiration of the Put Period (the "**Put Date**"), failing which the Paying Agent will require payment from or on behalf of the Noteholder of an amount equal to the face value of any missing such Coupon. Any amount so paid will be reimbursed to the Noteholder against presentation and surrender of the relevant missing Coupon (or any replacement therefor issued pursuant to Condition 12 (*Replacement of Notes and Coupons*)) at any time after such payment, but before the expiry of the period of five years from the date on which such Coupon would have become due, but not thereafter. The Paying Agent to which such Note and Put Notice are delivered will issue to the Noteholder concerned a non-transferable receipt in respect of the Note so delivered. Payment in respect of any Note so delivered will be made, if the holder duly specifies a bank account in the Put Notice to which payment is to be made, on the Put Date by transfer to that bank account and, in every other case, on or after the Put Date against presentation and surrender or (as the case may be) endorsement of such receipt at the specified office of any Paying Agent. A Put Notice, once given, shall be irrevocable. For the purposes of these Conditions, receipts issued pursuant to this Condition 7(c) shall be treated as if they were Notes. The Issuer shall redeem or purchase (or procure the purchase of) the relevant Notes on the Put Date unless previously redeemed (or purchased) and cancelled.

- (d) **No other redemption:** The Issuer shall not be entitled to redeem the Notes otherwise than as provided in Condition 7(a) (*Final redemption*) and 7(b) (*Redemption for taxation reasons*) above.
- (e) **Notice of redemption:** All Notes in respect of which any notice of redemption is given under this Condition shall be redeemed on the date specified in such notice in accordance with this Condition.
- (f) **Purchase:** The Issuer and its Subsidiaries may at any time purchase Notes in the open market or otherwise at any price (provided that they are purchased together with all unmatured Coupons relating to them). The Notes so purchased, while held by or on behalf of the Issuer or any such Subsidiary, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Condition 13 (*Meetings of Noteholders, Noteholders' Representative and*

*modification*). Such Notes may be held, re-issued, resold or, at the option of the Issuer, surrendered to the Fiscal Agent for cancellation.

- (g) **Cancellation:** All Notes which are (i) purchased by the Issuer or any of its Subsidiaries and surrendered to the Fiscal Agent for cancellation or (ii) so redeemed, and, in each case, any unmatured Coupons attached to or surrendered with them shall be cancelled and may not be re-issued or resold.

- 7A Unconditional redemption at the option of Noteholders:** The holder of each Note will have the option (an “**Unconditional Put Option**”) to require the Issuer to redeem or, at the Issuer’s option, purchase (or procure the purchase of) that Note on the Interest Reset Date at its principal amount together with (or, where purchased, together with an amount equal to) accrued interest to (but excluding) the Interest Reset Date. In order to exercise the Unconditional Put Option, the bearer of the Permanent Global Note must, within the Unconditional Put Option Exercise Period, give written notice of such exercise to the Fiscal Agent specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

Conditions 7(e) (*Notice of redemption*) and (g) (*Cancellation*) shall apply to this Condition as if set out *mutatis mutandis* herein.

## 8 Payments

- (a) **Method of payment:** Payments of principal and interest will be made against presentation and surrender (or, in the case of a partial payment, endorsement) of Notes or the appropriate Coupons (as the case may be) at the specified office of any Paying Agent by transfer to a Euro account specified by the payee with a bank in a city in which banks have access to the TARGET System. Payments of interest due in respect of any Note other than on presentation and surrender of matured Coupons shall be made only against presentation and either surrender or endorsement (as appropriate) of the relevant Note.
- (b) **Payments subject to fiscal laws:** All payments 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 or Couponholders in respect of such payments.
- (c) **Surrender of unmatured Coupons:** Each Note should be presented for redemption together with all unmatured Coupons relating to it, failing which the amount of any such missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal amount due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon not later than 10 years after the Relevant Date for the relevant payment of principal.
- (d) **Payments on business days:** A Note or Coupon may only be presented for payment on a day which is a business day in the place of presentation. No further interest or other payment will be made as a consequence of the day on which the relevant Note or Coupon may be presented for payment under this Condition 8 falling after the due date.
- (e) **Paying Agents:** The initial Paying Agents and their initial specified offices are listed in the Fiscal Agency Agreement. The Issuer reserves the right at any time to vary or terminate the appointment of any Fiscal Agent or Paying Agent and appoint additional or other Fiscal Agents or Paying Agents, *provided that* it will maintain (i) a Fiscal Agent, (ii) a Paying Agent (who may be the Fiscal Agent) with a specified office in at least one

major European city outside the Republic of Italy or (if different) the jurisdiction(s) to which the Issuer is subject for the purpose of Condition 9 (*Taxation*), and (iii) until the Reset Rate of Interest has been calculated in accordance with Condition 6A (*Determination of Reset Rate of Interest*), an Agent Bank.

## 9 Taxation

All payments of principal and interest by or on behalf of the Issuer in respect of the Notes and the Coupons, as the case may be, shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Relevant Taxing Jurisdiction, unless such withholding or deduction is required by law. In that event the Issuer shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders 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:

- (i) in respect of any Note or Coupon presented for payment in the Republic of Italy; or
- (ii) in respect of any Note or Coupon presented for payment by or on behalf of, a holder who is liable to the Taxes in respect of the Note or Coupon by reason of his having some connection with the Relevant Taxing Jurisdiction other than the mere holding of the Note or Coupon or by the receipt of any amounts in respect of the Notes; or
- (iii) in respect of any Note or Coupon presented for payment by, or on behalf of, a holder who is entitled to avoid such withholding or deduction in respect of the Note or Coupon by making a declaration or any other statement to the relevant tax authority, including, but not limited to, a declaration of residence or non-residence or other similar claim for exemption; or
- (iv) for or on account of *imposta sostitutiva* or any alternative future system of deduction or withholding set forth in Legislative Decree No. 239 of 1 April 1996, as amended, including in all circumstances in which the procedures to obtain an exemption from *imposta sostitutiva* have not been met or complied with, except where such procedures have not been met or complied with due to the actions or omissions of the Issuer or its agents; or
- (v) where such withholding or deduction is required to be made pursuant to European Council Directive 2003/48/EC (as amended by European Council Directive 2014/48/EU of 24 March 2014) or any law or agreement implementing or complying with, or introduced in order to conform to, such Directive; or
- (vi) in respect of any Note or Coupon presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the European Union; or
- (vii) in respect of any Note or Coupon presented for payment more than 30 days after the Relevant Date except to the extent that a holder would have been entitled to additional amounts on presenting the same for payment on the last day of the period of 30 days assuming, whether or not such is in fact the case, that day to have been a presentation date pursuant to Condition 8 (*Payments*).

## 10 Events of Default

If any of the following events occurs and is continuing:



- (a) **Non-payment:** the Issuer fails to pay the principal of or any interest on any of the Notes when due and such failure continues for a period of five business days in the case of principal and seven business days in the case of interest; or
- (b) **Breach of other obligations:** the Issuer does not perform or comply with any one or more of its other obligations in the Notes which default is (i) incapable of remedy or (ii) capable of remedy but is not remedied within 30 days after notice of such default shall have been given to the Fiscal Agent at its specified office by any Noteholder; or
- (c) **Cross-default:** (i) any other present or future Indebtedness of the Issuer or any Material Subsidiary becomes due and payable prior to its stated maturity by reason of any actual default or event of default (howsoever described), or (ii) any such Indebtedness is not paid when due or, as the case may be, within any applicable grace period, or (iii) the Issuer or any Material Subsidiary fails to pay when due or, as the case may be, within any applicable grace period, any amount payable by it under any present or future guarantee for, or indemnity in respect of, any Indebtedness *provided that* the aggregate amount of the relevant Indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 10(c) have occurred equals or exceeds €10,000,000 or its equivalent in the relevant currency of payment; or
- (d) **Enforcement proceedings:** a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any Substantial Part of the property, assets or revenues of the Issuer or any of its Material Subsidiaries and is not discharged or stayed within 60 days; or
- (e) **Security enforced:** any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or any Material Subsidiary to secure Indebtedness having an aggregate value of at least €10,000,000 or its equivalent in the relevant currency of payment becomes enforceable and is enforced (including the taking of possession or the appointment of a receiver, manager or other similar Person) unless discharged or stayed within 60 days; or
- (f) **Insolvency, etc:** (i) the Issuer or any of its Material Subsidiaries becomes insolvent or is unable to pay its debts as they fall due, (ii) an administrator, liquidator or other similar officer is appointed in respect of the Issuer or any of its Material Subsidiaries or the whole or any Substantial Part of the undertaking, assets and revenues of the Issuer or any of its Material Subsidiaries (other than for the purposes of, or pursuant to, a Permitted Reorganisation), (iii) the Issuer or any of its Material Subsidiaries takes any action for a general readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or any class of its creditors, or (iv) the Issuer or any of its Material Subsidiaries declares or proposes a moratorium in respect of any of its Indebtedness or any guarantee and/or indemnity given by it in relation to any Indebtedness;
- (g) **Cessation of business:** the Issuer or any of its Material Subsidiaries ceases or threatens to cease to carry on all or substantially all of its business (other than for the purposes of, or pursuant to, a Permitted Reorganisation) *provided that* the occurrence of a Concession Event will not trigger the Event of Default set out in this Condition 10(g);
- (h) **Analogous event:** any event occurs which under any applicable laws has an analogous effect to any of the events referred to in paragraphs (d) (*Enforcement Proceedings*) to (g) (*Cessation of business*) above (both inclusive); or

- (i) **Failure to take action etc:** any action, condition or thing (including, without limitation, the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence or order) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, perform and comply with its obligations under and in respect of the Notes and the Agency Agreement and (ii) to ensure that those obligations are legal, valid, binding and enforceable; or
- (j) **Illegality:** it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under the Notes,

then any Note may, by notice in writing given to the Fiscal Agent at its specified office by the holder, be declared immediately due and payable whereupon it shall become immediately due and payable at its principal amount together with accrued and unpaid interest (if any) without further formality.

#### **11 Prescription**

Claims in respect of principal and interest will become void unless presentation for payment is made as required by Condition 8 (*Payments*) within a period of 10 years in the case of principal and five years in the case of interest from the appropriate Relevant Date.

#### **12 Replacement of Notes and Coupons**

If any Note or Coupon is lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Fiscal Agent subject to all applicable laws and stock exchange or other relevant authority requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may require (provided that the requirement is reasonable in the light of prevailing market practice). Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

#### **13 Meetings of Noteholders, Noteholders' Representative and Modification**

##### **(a) Meetings of Noteholders:**

The Fiscal Agency Agreement contains provisions for convening meetings of Noteholders to consider matters affecting their interests, including, *inter alia*, the modification or abrogation by Extraordinary Resolution (as defined in the Fiscal Agency Agreement) of the Notes or any of the provisions of the Fiscal Agency Agreement. Such provisions are subject to compliance with mandatory laws, legislation, rules and regulations of Italy in force from time to time applicable to the Issuer and, where applicable Italian law so requires, the Issuer's By-laws (*statuto*), including any amendment, restatement or re-enactment of such laws, legislation, rules and regulations (or, where applicable, the Issuer's By-laws) taking effect at any time on or after the Issue Date.

Subject to the above, in relation to the convening of meetings, quorums and the majorities required to pass an Extraordinary Resolution:

- (i) any such meeting may be convened by the Board of Directors of the Issuer or by the Noteholders' Representative (as defined below) at their discretion and, in any event, when a request is made in writing by Noteholder(s) holding not less than one-twentieth of the aggregate principal amount of the Notes for the time being outstanding, in each case in accordance with Article 2415 of the Italian Civil Code, or, in default of such request, by a decision of the competent court in accordance with Article 2367, paragraph 2, of the Italian Civil Code;

- (ii) every such meeting shall be held at such time and place as provided pursuant to Article 2363 of the Italian Civil Code and the Issuer's By-laws (*statuto*);
- (iii) such a meeting will be validly convened if there are one or more persons present being or representing Noteholders holding at least 75.0 per cent. of the aggregate principal amount of the outstanding Notes, subject to compliance with mandatory laws, legislation, rules and regulations of Italy in force from time to time and the Issuer's By-laws (*statuto*); and
- (iv) the majority required to pass an Extraordinary Resolution at any meeting (including any adjourned meeting) convened to vote on any Extraordinary Resolution will be one or more persons holding or representing at least 75.0 per cent. of the aggregate principal amount of the outstanding Notes and 40.0 per cent. of the aggregate principal amount of the outstanding Notes represented at the meeting, subject to compliance with mandatory laws, legislation, rules and regulations of Italy in force from time to time and the Issuer's By-laws (*statuto*).

The Notes shall not entitle the Issuer to participate and vote in the Noteholders' meetings. Directors and statutory auditors of the Issuer shall be entitled to attend the Noteholders' meetings. An Extraordinary Resolution duly passed at any meeting of the Noteholders will be binding on all Noteholders, whether or not they are present at the meeting, and on all Couponholders.

**(b) Noteholders' representative:**

Pursuant to Articles 2415 and 2417 of the Italian Civil Code, a representative of Noteholders (*rappresentante comune* or "Noteholders' Representative") is appointed by an Extraordinary Resolution, inter alia, to represent the common interests of the Noteholders as well as to give effect to Extraordinary Resolutions passed at a meeting of Noteholders. In the event the Noteholders' meeting fails to appoint a Noteholders' Representative, such appointment may be made at the request of any Noteholder or of the Board of Directors of the Issuer by an order of the competent court. The Noteholders' Representative shall have the powers and duties set out in Article 2418 of the Italian Civil Code and remains appointed for a maximum period of three fiscal years but may be reappointed again thereafter.

**(c) Modification:**

The Notes, the Coupons and these Conditions may be amended without the consent of the Noteholders or the Couponholders to correct a manifest error or if the amendment is of a formal, minor or technical nature. In addition, the parties to the Fiscal Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Noteholders, to any such modification unless (i) it is of a formal, minor or technical nature, (ii) it is made to correct a manifest error, (iii) it is not materially prejudicial to the interests of the Noteholders, or (iv) it is made to comply with mandatory laws, legislation, rules and regulations of Italy and the Issuer's By-Laws (*statuto*), entered into force at any time while the Notes remain outstanding, applicable to the convening of meetings of Noteholders, quorums and the majorities required to pass Extraordinary Resolutions at a meeting of Noteholders.

**14 Further issues**

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further securities either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that

such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Notes.

**15 Notices**

Notices to the Noteholders shall be valid if published in a leading English language daily newspaper (which is expected to be the Financial Times) and, for so long as the Notes are admitted to trading on the regulated market of the Irish Stock Exchange and it is a requirement of applicable law or regulations, a leading newspaper having general circulation in the Republic of Ireland or on the website of the Irish Stock Exchange ([www.ise.ie](http://www.ise.ie)). Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders in accordance with this Condition.

**16 Contracts (Rights of Third Parties) Act 1999**

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

**17 Governing law**

- (a) **Governing law:** The Fiscal Agency Agreement, the Notes and the Coupons and any non-contractual obligations arising out of or in connection with them are governed by and shall be construed in accordance with English law, save that provisions in these Conditions and in the Fiscal Agency Agreement relating to Noteholders' meetings and the Noteholders' Representative are subject to compliance with mandatory provisions of Italian law.
- (b) **Jurisdiction:** The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Notes or the Coupons and accordingly any Proceeding may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This Condition is for the benefit of each of the Noteholders and Couponholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).
- (c) **Agent for service of process:** The Issuer irrevocably appoints The London Law Agency Limited of Collingham House, 6-12 Gladstone Road, Wimbledon, London SW19 1QT as its agent in England to receive service of process in any Proceedings in England based on any of the Notes or the Coupons. If for any reason the Issuer does not have such an agent in England, it will promptly appoint a substitute process agent and notify the Noteholders of such appointment. Nothing herein shall affect the right to serve process in any other manner permitted by law.