RELEVANT REGULATION

LEGISLATIVE DECREE No. 58 OF 24 FEBRUARY 1998 Consolidated Law on Finance, "TUF".

Article 83-sexies
(Right to attend shareholders' meetings and the exercise of voting rights)

1. The legitimate attendance of shareholders' meetings and the exercise of voting rights is confirmed by a statement to the issuer from the intermediary, in compliance with intermediary accounting records, on behalf of the person with the right to vote.

2. For meetings of holders of financial instruments admitted for trading with the issuer's consent on regulated markets or in the Italian multilateral trading systems or those of other European Union countries, the communication contemplated by subsection 1 is made by the intermediary on the basis of the evidence of the accounts contemplated by article 83-quater, subsection 3, relative to the term of the accounting day of the seventh market business day prior to the date established for the meeting. Credit and debit entries made on accounts after these terms are not relevant in terms of assuring the legitimate exercise of voting rights at the shareholders' meeting. For the purposes of this ruling, the date of the first convocation is considered providing the dates of any successive convocations are indicated in the convocation notice; otherwise the date of each convocation shall be considered.

3. For meetings other than those indicated in subsection 2, the articles of association may require the financial instruments referred to in the communication to be entered in the accounts of the party with voting rights as from a pre-established date, potentially establishing that they may not be transferred until the end of the shareholders'meeting. In the case of shareholders' meetings of companies whose shares are widely distributed to a relevant extent, the term may not exceed two working days. Should the Articles of Association not prevent the transfer of shares, any transfer of such shall entail the obligation bearing on the intermediary to rectify the communication sent previously.

4. Communications indicated in subsection 1 must reach the issuer by the third trading day prior to the date indicated in subsection 2, last sentence, or within an alternative term established, in concert with the Bank of Italy, by a Consob regulation, or within a successive term established in the Articles of Association pursuant to subsections 3 and 5. This is without prejudice to legitimate attendance and voting if communication has reached the issuer beyond the terms specified in this subsection, providing it has been received before the start of the works of the meeting works held pursuant to single convocation.

5. Subsections 1, 3 and 4 apply to the meetings of holders of financial instruments issued by cooperative companies. With reference to meetings of holders of financial instruments admitted for trading, with the consent of the issuer, on regulated markets or Italian multilateral trading systems or those of other countries of the European Union, the terms pursuant to subsection 3 cannot exceed two working days.

Article 127-ter
(Right to submit questions prior to the shareholders' meeting)

1. All those with voting rights may submit questions on the items on the agenda even prior to the shareholders' meeting. Questions received before the meeting will be answered at the latest during the said meeting. The company may provide a single reply to questions with the same content.

1-bis. The notice calling the meeting specifies the terms within which questions raised prior to the shareholders' meeting must reach the company. The terms must be no less than three days prior to the date of the first or only calling of the shareholders' meeting or five days if the notice of calling establishes that the company should provide a reply to the questions received before the actual meeting. In this case, replies are provided at least two days prior to the shareholders' meeting also by publication in a specific section of the company website.

2. No reply is necessary, even in the shareholders' meeting, to questions raised prior to it, where the information required is already available in "FAQ" format in the section of the company's website specified in subsection 1-bis or when the answer has been published in accordance with said subsection.

3. The reply attached to the minutes is considered as given during the meeting when is made available at the beginning of the meeting, by each of those entitle to vote [598].

Article 126-bis
(Integration of the agenda of the shareholders' meeting and presentation of new proposed resolutions)

1. Shareholders, who individually or jointly account for one fortieth of the share capital may ask, within ten days of publication of the notice calling the shareholders' meeting, or within five days in the event of calling the meeting in accordance with article 125-bis, subsection 3 or article 104, subsection 2, for the integration of the list of items on the agenda, specifying in the request, the additional items they propose or presenting proposed resolution on items already on the agenda. The requests, together with the certificate attesting ownership of the share, are presented in writing, by correspondence or electronically, in compliance with any requirements strictly necessary for the identification of the applicants indicated by the company. Those with voting rights may individually present proposed resolutions in the shareholders' meeting. For cooperative companies the amount of the capital is determined by the statutes also in derogation of article 135.

2. Integrations to the agenda or the presentation of further proposed resolutions on items already on the agenda, in accordance with subsection 1, are disclosed in the same ways as prescribed for the publication of the notice calling the meeting, at least fifteen days prior to the date scheduled for the shareholders' meeting. Additional proposed resolutions on items already on the agenda are made available to the public in the ways pursuant to article 125-ter, subsection 1, at the same time as publishing news of the presentation. Terms are reduced to seven days in the case of shareholders' meetings called in accordance with article 104, subsection 2 or in the case of a shareholders' meeting convened in accordance with article 125-bis, subsection 3.

3. The agenda cannot be supplemented with items on which, in accordance with the law, the shareholders ' meeting resolved on proposal of the administrative body or on the basis of a project or report prepared by it, other than those specified under article 125-ter, subsection 1.

4. Shareholders requesting integration in accordance with subsection 1 shall prepare a report giving the reason for the proposed resolutions on the new items for which it proposes discussion or the reason relating to additional proposed resolutions presented on items already on the agenda. The report is sent to the administrative body within the final terms for presentation of the request for integration. The administrative body makes the report available to the public, accompanied by any assessments, at the same time as publishing news of the integration or presentation, in the ways pursuant to article 125-ter, subsection 1.

5. If the administrative body, or should it fail to take action, the board of auditors or supervisory board or management control committee fail to supplement the agenda with the new items or proposals presented in accordance with subsection 1, the court, having heard the members of the board of directors and internal control bodies, where their refusal to do so should prove to be unjustified, orders the integration by decree. The decree is published in the ways set out by article 125-ter, subsection 1.

Article 135-undecies
(Appointed representative of a listed company)

1. Unless the Articles of Association decree otherwise, companies with listed shares designate a party to whom the shareholders may, for each shareholders' meeting and within the end of the second trading day prior to the date scheduled for the shareholders' meeting, including for callings subsequent to the first, a proxy with voting instructions on all or some of the proposals on the agenda. The proxy shall be valid only for proposals on which voting instructions are conferred.

2. Proxy is conferred by signing a proxy form, the content of which is governed by a Consob regulation. Conferring proxy shall be free of charge to the shareholder. The proxy and voting instructions may be cancelled within the time limit indicated in subsection 1.

3. Shares for which full or partial proxy is conferred are calculated for the purpose of determining due constitution of the shareholders' meeting. With regard to proposals for which no voting instructions are given, the shares are not considered in calculating the majority and the percentage of capital required for the resolutions to be carried.

4. The person appointed as representative shall any interest, personal or on behalf of third parties, that he or she may have with respect to the resolution proposals on the agenda. The representative must also maintain confidentiality of the content of voting instructions received until scrutiny commences, without prejudice to the option of disclosing such information to his or her employees or collaborators, who shall also be subject to confidentiality obligations. The party appointed as representative may not be assigned proxies except in compliance with this article.

5. By regulation pursuant to subsection 2, Consob may establish cases in which a representative failing to meet the indicated terms of Article 135-decies may express a vote other than that indicated in the voting instructions.

Article 147-ter
(Election and composition of the Board of Directors)

1. The Statute provides for members of the Board of Directors to be elected on the basis of the list of candidates and defines the minimum participation share required for their presentation, at an extent not above a fortieth of the share capital or at a different extent established by Consob with the regulation taking into account capitalization, floating funds and ownership structures of listed companies. The lists indicate which are the directors holding independent requisites established by law and by the Statute. The Statute may also provide that with regard to the sector for directors to be elected, what is not to be taken into account are the lists which have not reached a percentage of votes at least equal to half of the one required by the Statute for the presentation of same; for cooperative companies the percentage is established by the statutes also in derogation from article 135.

1-bis. Lists are deposited with the issuer, also by means of remote communication, in compliance with any requirements strictly necessary to identify the applicants indicated by the company, by the twenty-fifth day prior to the date of the meeting called to resolve on the appointment of the members of the board of directors and made available to the public at the company's headquarters, on the company's website and in the other ways envisaged by Consob by regulation, at least twenty-one days prior to the date of the shareholders' meeting. Ownership of the minimum investment envisaged by subsection 1 is determined concerning the shares recorded in favour of the shareholder on the day on which the lists are deposited with the issuer. Related certification may also be submitted after filing, provided submission is within the time limit established for publication of the lists by the issuer.

1-ter. The Statute also lays down that the division of directors to be elected be made on the basis of a criterion that ensures a balance between genders. The less-represented gender must obtain at least one third of the directors elected. This division criterion applies for three consecutive mandates. If the composition of the board of directors resulting from the election does not comply with the division criterion provided for in the present section, Consob warns the company involved to comply with this criterion within the maximum term of four months from the warning. In the event of non-compliance with the warning, Consob applies a fine of from euro 100,000 to euro 1,000,000, according to criteria and methods laid down in its own regulations and sets a new term of three months for compliance. In the event of further non-compliance with respect to the new warning, the members elected lose their position. The statute regulates the methods of formation of the lists and the cases of replacement during a mandate in order to guarantee compliance with the division criterion provided for in the present section. Consob lays down regulations on the subject of infringement, application and observance of the rules on gender quotas, also with reference to the preliminary phase and the procedures to be adopted, on the basis of its own regulations to be adopted within six months from the date of entry into force of the rules contained in the present section. The rules of the present section apply also to companies organised according to the monistic system.

2. ...omissis...

3. Except as provided for in Article 2409-septiesdecies of the Civil Code, at least one member shall be elected from the minority slate that obtained the largest number of votes and is not linked in any way, even indirectly, with the shareholders who presented or voted the list which resulted first by the number of votes.

In companies organised under the one-tier system, the member elected from the minority slate must satisfy the integrity, experience and independence requirements established pursuant to Articles 148(3) and 148(4). Failure to satisfy the requirements shall result in disqualification from the position.

4. In addition to what is provided for in paragraph 3, at least one of the members of the Board of Directors, or two if the Board of Directors is composed of more than seven members, should satisfy the independence requirements established for members of the board of auditors in Article 148(3) and, if provided for in the Articles of Association, the additional requirements established in codes of conduct drawn up by regulated stock exchange companies or by trade associations. This paragraph shall not apply to the boards of directors of companies organised under the one-tier system, which shall continue to be subject to the second paragraph of Article 2409-septiesdecies of the Civil Code. The independent director who, following his or her nomination, loses those requisites of independence should immediately inform the Board of Directors about this and, in any case falls from his/her office.

Article 148
(Composition)

1. The Articles of Association of a company shall establish, for the board of auditors:

a) the number, not less than three, of auditors;

b) the number not less than two, of alternates;

c) ...omissis...

d) ...omissis...

1-bis. The Articles of Association of the company state, moreover, that the division of members pursuant to section 1 shall be made in such a way that the less-represented gender shall obtain at least one third of the regular members of the board of auditors. This division criterion applies for three consecutive mandates. If the composition of the board of auditors resulting from the election does not comply with the division criterion provided for in the present section, Consob warns the company involved to comply with this criterion within the maximum term of four months from the warning. In the event of non-compliance with the warning, Consob applies a fine of from euro 20,000 to euro 200,000 and sets a new term of three months for compliance. In the event of further non-compliance with respect to the new warning, the members elected lose their position. Consob lays down regulations on the subject of infringement, application and observance of the rules on gender quotas, also with reference to the preliminary phase and the procedures to be adopted, on the basis of its own regulations to be adopted within six months from the date of entry into force of the rules contained in the present section.

2. Consob establishes the rules for the election procedure by list vote of a member of the Board of Auditors by minority shareholders, that are not directly or indirectly associated with the shareholders that submitted or voted the list qualifying as first for the number of votes received. Article 147-ter, subsection 1-bis shall apply [676].

2-bis. The chairman of the board of auditors shall be appointed by the shareholders' meeting from among the auditors elected by the minority shareholders.

3. The following persons may not be elected as auditors and, where elected, they shall be disqualified from office:

a) persons who are in the conditions referred to in Article 23 82 of the Civil Code;

b) spouses, relatives and the like up to the fourth degree of kinship of the directors of the company, spouses, relatives and the like up to the fourth degree of kinship of the directors of the companies it controls, the companies it is controlled by and those subject to common control;

c) persons who are linked to the company, the companies it controls, the companies it is controlled by and those subject to common control or to directors of the company or persons referred to in paragraph b) by

self-employment or employee relationships or by other relationships of an economic or professional nature that might compromise their independence.

4. In a regulation adopted pursuant to Article 17(3) of Law 400/2003, in agreement with the Minister of the Economy and Finance, after consulting Consob, the Bank of Italy and Siva, the Minister of Justice shall lay down the integrity and experience requirements for the members of the board of auditors, the supervisory board or the management control committee. Failure to satisfy the requirements shall result in disqualification from the position.

4-bis**.** Subsections 1-bis, 2 and 3 shall apply to supervisory boards.

4-ter. Subsections 2-bis and 3 shall apply to management control committees. The representative of the minority shareholders shall be the director elected pursuant to Article 147-ter(3).

4-quater. In the cases provided for in this article, disqualification shall be declared by the board of directors or, for companies organised according to the two-tier system or the one-tier system, by the shareholders' meeting within thirty days of the appointment or of its learning of subsequent failure. In the event of inaction by the competent body, Consob shall declare the disqualification, at the request of any interested party or if it learns of the existence of the grounds for disqualification.

Regulation implementing Italian Legislative Decree No. 58 of 24 February 1998, concerning the discipline of issuers (adopted by Consob under resolution No. 11971 of 14 May 1999), "R.E".

Article 144-quater
(Equity interest share)

1. Without prejudice to any lesser percentage established in the Articles of Association, the interest share required for the presentation of the lists of candidates for the election of the board of directors in accordance with Article 147-ter of the Consolidated Law:

a) is 0.5% of the share capital for companies with market capitalization in excess of fifteen billion euro;

b) is 1% of the share capital for companies with market capitalization in excess of one billion euro and less than or equal to fifteen billion euro;

c) is 2.5% of the share capital for companies with market capitalization is less than or equal to one billion euro.

2. Without prejudice to the smaller percentage envisaged by the articles of association, the investment share is equal to 4.5% of the share capital for companies for which the market capitalization is less than or equal to three hundred and seventy-five million euro where, at the year end date, the following conditions are all met:

a) floating capital is in excess of 25%;

b) there is no shareholder or more than one shareholder adhering to a shareholders'agreement as envisaged by Article 122 of the Consolidated Law which have the majority of the voting rights that can be exercised in the meeting resolutions concerning the appointment of the members of the administrative body.

3. Where the conditions indicated under paragraph 2 are not met, without prejudice to the lesser percentage envisaged by the articles of association, the investment share is 2.5% of the share capital.

4. For cooperative companies, the investment share is 0.5% of the share capital, without prejudice to the smaller percentage envisaged in the Articles of Association.

5. Without prejudice to that established by paragraph 3, the Articles of Association of cooperative companies must enable the presentation of lists also to a minimum number of shareholders, in any case no more than five hundred, regardless of the percentage of share capital held in total.

6. As an exception to the provisions of this Article, the companies requiring admission to listing may provide, for the first renewal subsequent to this, that the investment share required for the presentation of the lists of candidates for the election of the board of directors, in accordance with Article 147-ter of the Consolidated Law is equal to a percentage of no more than 2.5%.

Article 144-quinquies
(Relationships of affiliation between reference shareholders and minority shareholders)

1. The material relationships of affiliation pursuant to Article 148, subsection 2, of the Consolidated Law between one or more reference shareholders and one or more minority shareholders shall be deemed to exist in at least the following cases:

a) family relationships;

b) membership of the same group;

c) control relationships between a company and those who jointly control it;

d) relationships of affiliation pursuant to Article 2359, subsection 3 of the Italian Civil Code, including with persons belonging to the same group;

e) the performance, by a shareholder, of management or executive functions, with the assumption of strategic responsibilities, within a group that another shareholder belongs to;

f) participation in the same shareholders' agreement provided for in Article 122 of the Consolidated Law involving shares of the issuer, of its parent company or one of its subsidiaries.

2. When a person affiliated to the reference shareholder has voted for a minority shareholder list, the existence of such relationship of affiliation shall only be deemed to be material when the vote is decisive for the election of the auditor.

Article 144-sexies
(Election of the minority statutory auditors by list voting)

1. Except for replacements, the election of the statutory auditor representing minority shareholders pursuant to Article 148, subsection 2 of the Consolidated Law shall take place at the same time as the election of the other members of the control body.

2. Each shareholder may submit a list for the appointment of members of the board of statutory auditors. The articles of association may establish that the shareholder or shareholders submitting a list must possess a shareholding at the time of the submission not exceeding the amount established pursuant to Article 147-ter, subsection 1 of the Consolidated Law.

3. The lists shall contain the names:

a) of one or more candidates for the office of acting statutory auditor and alternate statutory auditor, for the election of the board of statutory auditors;

b) of two or more candidates, for the election of the supervisory board.

The names of the candidates shall be accompanied by consecutive numbers and shall not in any case exceed the number of members of the body to be elected.

4. The lists shall be filed at the registered office by the twenty-fifth day before the shareholders' meeting date set for the shareholders' meeting called to approve the appointment of the statutory auditors, together with:

a) the details of the identity of the shareholders who have submitted the lists, specifying the overall percentage shareholding held and a certification specifying the ownership of said shareholding;

b) a declaration from the shareholders other than those who, jointly or otherwise, possess a controlling or relative majority shareholding, certifying the absence of any relationships of affiliation with the latter pursuant to Article 144-quinquies;

c) detailed information on the personal traits and professional qualifications of the candidates, together with a declaration from said candidates certifying their possession of the requirements under the law and their acceptance of the nomination.

4-bis. For cooperatives, the lists will be filed at the registered office between the thirtieth day and the thirteenth day prior to the shareholders' meeting called to decide on the appointment of statutory auditors, even if the relative convening notice has not yet been published.

4-ter. Companies will allow shareholders who wish to present lists to file them using at least one long distance means of communication, in accordance with the manner that it has established, and noted in the notice convening the shareholders' meeting, which will allow identification of the parties that will be doing the filing.

4-quater. Ownership of the overall shareholding as noted in sub-paragraph 4, letter a) will be also confirmed following filing of the lists, as long as it is at least twenty-one days before the shareholders' meeting date, or at least ten days beforehand for cooperatives, by sending the disclosures provided for under Article 23 of the Regulations containing the rules governing central depository, settlement and guarantee system services, and the relative management companies, adopted by the Bank of Italy and Consob on 22 February 2008, as amended.

5. If at the date of expiry of the time limits indicated in sub-paragraphs 4 and 4-bis, one list only has been filed, or lists have only been presented by shareholders that, in accordance with the provisions of sub-paragraph 4, are related in accordance with the provisions of Article 144-quinquies, lists can be presented up to the third day following that date, without prejudice to the provisions of Article 141-ter, sub-paragraph 1-bis, last sentence of the Consolidated Law for companies that are not cooperatives. In that case, the time limit provided in the articles of association in accordance with sub-paragraph 2 will be reduced to half.

6. A shareholder may not submit or vote for more than one list, including through nominees or trust companies. Shareholders belonging to the same group and shareholders participating in a shareholder agreement involving the shares of the issuer may not submit or vote for more than one list, including through nominees or trust companies. A candidate may only be present in one list, under penalty of ineligibility.

7. The candidate at the top of the list that has obtained the highest number of votes from amongst the lists submitted and voted by shareholders who are not affiliated to the reference shareholders pursuant to Article 148, subsection 2 of the Consolidated Law shall be elected as acting statutory auditor. The candidate for alternate statutory auditor at the top of the same list shall be elected to said office.

8. If provided for in the articles of association, additional alternate auditors or members of the supervisory board may also be nominated to replace the minority member, chosen from amongst the other candidates in the list referred to in the subsection above or, subordinately, from the candidates in the minority list that received the second highest number of votes.

9. The articles of association may not provide for a percentage or minimum number of votes that the lists need to obtain. The articles of association shall establish the criteria for establishing which candidate will be elected in the event of parity between the lists.

10. If the articles of association provide for the election of more than one minority statutory auditor the offices shall be allocated proportionately in accordance with the criteria established by the articles of association.

11. Should the minority statutory auditor no longer be available, for whatever reason, the latter shall be replaced by the alternate statutory auditor referred to in subsection 7. In the absence of the latter, the replacement shall consist of one of the alternate statutory auditors or the members of the supervisory board nominated pursuant to subsection 8.

12. The shareholders' meeting provided for in Article 2401, subsection 1 of the Italian Civil Code and, if the issuer adopts the two tier model, in Article 2409-duodecies, subsection 7 of the Italian Civil Code, shall make the appointment or replacement in compliance with the principle of required minority representation

Italian Civil Code

Article 2400

Appointment and termination of office

Statutory auditors shall be appointed for the first time in the articles of association and subsequently by the shareholders' meeting, without prejudice to the provisions of Articles 2351, 2449 and 2450. They shall remain in office for three years, and shall reach the end of their term on the date of the shareholders' meeting called to approve the financial statements for the third year in office. The termination of statutory auditors due to the expiry of a term shall be effective from the time when the board has been replaced.

Statutory auditors may be removed for just cause only. The removal decision must be approved by court decree, upon a hearing of the interested party.

The appointment of statutory auditors, indicating the full name, place and date of birth, and domicile of each, and the termination of office must be recorded by the directors in the company register within a period of thirty days.

At the time of the appointment of the statutory auditors and prior to their acceptance of the office, the administrative and supervisory offices held by them in other companies are to be made known to the shareholders' meeting.

Notice DEM/9017893 dated 26/2/2009

Subject: Appointment of members of administrative and supervisory bodies – Recommendations

1. With reference to the appointment of the supervisory bodies of companies with listed shares, Article 148, paragraph 2 of Legislative Decree 58/98 of the Consolidated Finance Act (TUF) provides that "Consob is to stipulate in regulations the method for election, by list voting, of an effective member of the board of statutory auditors by minority shareholders that are not related, even indirectly, to the shareholders that submitted or voted for the list that came in first in number of votes".

Pursuant to such a broad regulatory mandate, Consob Regulation 11971 of 14 May 1999 as amended ("Issuer Regulations") governed in detail the entire procedure for the election of supervisory bodies by the list voting method, bearing in mind the purpose of ensuring minority shareholders the appointment of at least one effective statutory auditor and "ensuring the effective exclusion of majority shareholders from the minority shareholders' choice of statutory auditors"[1].

In this regard, in Article 144-*quinquies* of the Issuer Regulations[2] Consob identified some relationships in which the affiliation referred to in the above-mentioned Article 148, paragraph 2 of the TUF is assumed,

[1] So we read in the report accompanying Legislative Decree 303/2006 ("Coordination with Law 262 of 28 December 2005 of the Consolidated Act on Banking and Credit Matters and the Consolidated Act of Provisions on Financial Intermediation").

[2] Article 144-*quinquies* of the Issuer Regulations ("Relationships of affiliation between reference shareholders and minority shareholders") reads: "1. *Material relationships of affiliation pursuant to Article 148, paragraph 2, of the Consolidated Act, exist between one or more reference*

without however providing an exhaustive list, and it provided that persons who submit a "minority list" must file a declaration at the registered office certifying the absence of relationships of affiliation as provided for in the above-mentioned Article 144-*quinquies* with a shareholder that holds (or shareholders that jointly hold) a controlling or relative majority stake (Article 144-*sexies*, paragraph 4, letter b), of the Issuer Regulations[3]).

Since no mandate similar to the one stipulated on the subject of the appointment of members of supervisory bodies is provided for the election of administrative bodies, the Issuer Regulations do not include provisions regarding the list voting procedure and, in particular, it has not been required that persons filing a "minority list" certify the non-existence of the relationships of affiliation referred to in Article 147-*ter*, paragraph 3 of the TUF.

After the first shareholders' meetings having the appointment of company bodies on the agenda were called, following the entry into force of Consob regulatory provisions implementing the above-mentioned Articles 147-*ter* and 148, paragraph 2 of the TUF, the need was found to also ensure transparency on possible affiliations between lists for the election of an administrative body, strengthening what was already provided for in the bylaws of some listed companies. The initial implementation experience also made the need manifest to ensure more complete information on relationships between persons submitting "minority lists" and controlling or relative majority shareholders at the time of electing supervisory bodies.

Considering this, it is deemed advisable to provide some recommendations in this regard.

2. At the time of electing an administrative body, it is recommended that shareholders submitting a "minority list" file a declaration together with the list certifying the absence of relationships of affiliation, including indirectly, as referred to in Article 147-*ter*, paragraph 3 of the TUF and Article 144-*quinquies* of the Issuer Regulations, with shareholders that hold a controlling or relative majority stake, including jointly, where identifiable based on disclosures of significant stakes pursuant to Article 120 of the TUF or the disclosure of shareholders' agreements pursuant to Article 122 of the same Decree.

Such declarations must also specify any existing relationships, if material, with shareholders that hold a controlling or relative majority stake, including jointly, where identifiable, as well as the reasons why such relationships are not considered decisive for the existence of the said relationships of affiliation, or the absence of the said relationships must be mentioned.

In particular, from among the said relationships, if material, it is recommended that the following be mentioned at least:

- family relationships;

- participation in the recent past, including by companies in the respective groups, in a shareholders' agreement as provided for by Article 122 of the TUF concerning shares of the issuer or of companies in the issuer's group;

- participation, including by companies in the respective groups, in a shareholders' agreement concerning shares of third-party companies;

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*shareholders [the shareholders who have voted for or submitted the list that came in first by number of votes according to the definition set forth in Article 144-*ter *of the Issuer Regulations; Ed. Note] and one or more minority shareholders, at least in the following cases:*
a) family relationships;
b) membership of the same group;
c) control relationships between a company and those who control it jointly;
d) relationships of affiliation pursuant to Article 2359,paragraph 3 of the Italian Civil Code, including with persons belonging to the same group;
e) the performance, by a shareholder, of management or executive functions, with the assumption of strategic responsibility, within a group to which another shareholder belongs;
f) participation in the same shareholders' agreement provided for by Article 122 of the Consolidated Act concerning shares of the issuer, a parent of the latter or one of its subsidiaries."

[3] Article 144-*sexies*, paragraph 4, letter b) of the Issuer Regulations ("*Election of minority statutory auditors by list voting*") provides: "*The lists are to be filed at the registered office at least fifteen days prior to the shareholders' meeting called to decide on the appointment of the statutory auditors, accompanied:....b) by a declaration by shareholders other than those holding a controlling or relative majority stake, including jointly, certifying the absence of the relationships of affiliation provided for by Article 144-*quinquies *with the latter;..*"

- the existence of shareholdings, directly or indirectly, and the possible presence of reciprocal holdings, directly or indirectly, including between companies of the respective groups;

- having held offices, including in the recent past, on administrative and supervisory bodies of companies in the group of the controlling or relative majority shareholder (or shareholders), as well as performing or having performed work as an employee in the recent past at such companies;

- having formed part, directly or through representatives, of the list submitted by shareholders holding a controlling or relative majority stake, including jointly, in the previous election for the administrative or supervisory bodies;

- having participated, in the previous election for the administrative or supervisory bodies, in the submission of a list with shareholders holding a controlling or relative majority stake, including jointly, or having voted for a list submitted by the latter;

- maintaining or in the recent past having maintained commercial, financial (not including activities typical of lenders) or professional relations;

- the presence on the "minority list" of candidates who are or in the recent past were managing directors or executives with strategic responsibilities at the controlling or relative majority shareholder (or shareholders) or at companies forming part of the respective groups.

3. With regard to the election of supervisory bodies, notwithstanding the obligation to file the declaration referred to in Article 144-*sexies*, paragraph 4, letter b) of the Issuer Regulations, in order to ensure greater transparency on relationships between persons submitting "minority lists" and controlling or relative majority shareholders, it is recommended that shareholders submitting a "minority list" provide the following information in the said declaration:

- any existing relationships, if material, with shareholders that hold a controlling or relative majority stake, including jointly, where the latter are identifiable based on the disclosure of significant stakes pursuant to Article 120 of the TUF or the disclosure of shareholders' agreements pursuant to Article 122 of the same Decree. In particular, from among the relationships mentioned, it is recommended that at least those listed in item 2 be mentioned. Alternatively, the lack of material relationships must be mentioned;

- the reasons why such relationships are not considered decisive for the existence of the relationships of affiliation referred to in Article 148, paragraph 2 of the TUF and in Article 144-*quinquies* of the Issuer Regulations.

4. Asset management companies which at their discretion exercise the voting rights belonging to shares owned by UCITS established or managed by them in the exclusive interest of members and which have taken into account effective independence from the parent, may disregard relationships maintained by parties forming part of their group for purposes of mentioning any material relationship with the controlling or relative majority shareholder (or shareholders).

"Asset management companies" are understood as asset management companies (SGR), open-ended collective investment schemes (SICAV), harmonised asset management companies, Community parties engaging in collective investment undertakings pursuant to Directive 85/611/EEC and which are overseen in accordance with their own law, as well as non-Community parties that carry out an undertaking for which, if their registered office were in an EU State, an authorisation pursuant to Directive 85/611/EEC would be necessary.

5. With specific reference to listed cooperatives, it is noted that the single vote per shareholder and the extremely fragmented shareholders that characterise such companies do not allow for *ex ante* identification of controlling or relative majority shareholders. Therefore, the above recommendations for prior disclosure of any affiliations between lists, as well as the obligation pursuant to Article 144-*sexies*, paragraph 4, letter b) of the Issuer Regulations should be understood as not applicable to shareholders of the said companies. The

provisions of Article 147-*ter*, paragraph 3 and Article 148, paragraph 2 of the TUF still stand, according to which the "minority" director or statutory auditor must be taken from the list submitted by shareholders not affiliated, even indirectly, with the shareholders who have submitted or voted for the list that came out first in number of votes.

6. It is also recommended that companies with listed shares make the documentation and information mentioned above in items 2 and 3 of this Notice available to the public with the timing and according to the methods provided for in Article 144-*octies*, paragraph 1 of the Issuer Regulations.

7. Lastly, Consob asks members of supervisory boards, in performing their oversight duties, with specific reference to the provisions of Article 149 of the TUF, to pay special attention to observance of the rules on the election of administrative and supervisory bodies and to take any initiative, within the scope of their powers, so as to also avoid uncertainty on the market in every phase of the submission of lists and the appointment of members of administrative and supervisory bodies. With specific reference to the time of submission of lists for the election of supervisory bodies, for example, it is noted that the submission of related lists entails, pursuant to Article 144-*sexies*, paragraph 5 of the Issuer Regulations, the start of a new period for the submission of lists and the halving of the percentage of interest necessary for their submission. It is believed, therefore, that a company required to make known the reopening of time periods to the market pursuant to Article 144-*octies* of the Issuer Regulations must make assessments of possible undeclared affiliations, obviously within the limits of what is known or knowable according to ordinary diligence and taking into account the limited time available. Given that such activities fall under the authority of the administrative body, it follows, consequently, that the board of statutory auditors, in connection with overseeing observance of the law, is assigned the task of verifying the correctness of the directors' conduct in carrying out the said activities.

LEGISLATIVE DECREE 93 of 1 June 2011

Transposition of Directives 2009/72/EC, 2009/73/EC and 2008/92/EC concerning common rules for the internal market in electricity, in natural gas and a Community procedure on the transparency of gas and electricity prices charged to industrial end-users, as well as the repeal of Directives 2003/54/EC and 2003/55/EC.

Title II

NATURAL GAS MARKET

Article 19 Unbundling of transmission systems and transmission system operators

1. Vertically integrated undertakings that intend to comply with the provisions of Article 9 of Directive 2009/73/EC shall respect the following rules when implementing ownership unbundling of the operators:

a) an undertaking that owns a transmission system must perform the functions of the transmission system operator;

b) the same natural or legal person or persons may not exercise control, directly or indirectly, over an undertaking that performs activities of production or supply of natural gas or electricity and at the same time exercise control or rights, directly or indirectly, over a natural gas or electricity transmission system operator or over a natural gas or electricity transmission system;

c) the same natural or legal person or persons may not appoint members of the supervisory board, board of directors or bodies that legally represent the undertaking of a transmission system operator or a transmission system, nor exercise control or rights, directly or indirectly, over activities of production or supply of natural gas;

d) the same person may not be a member of the supervisory board, board of directors or bodies that legally represent the undertaking, whether of an undertaking that performs activities of production or supply of natural gas or of a transmission system operator or a transmission system;

e) commercially sensitive information pursuant to Article 20 of Legislative Decree 164 of 2000 acquired by the transmission system operator before the unbundling of the vertically integrated undertaking, nor the personnel of said operator, may be transferred to undertakings that perform activities of production or supply of natural gas.

2. The rights referred to in paragraph 1, letters b) and c) include, in particular, the power to exercise voting rights, to appoint members of the supervisory board, board of directors or bodies that legally represent the undertaking, as well as the holding of a majority share.

3. For the purpose of the application of the provisions of paragraph 1, if legal persons should have been constituted by the State or by a public body, two separate public bodies that, respectively, exercise control over a natural gas or electricity transmission system operator or over a natural gas or electricity transmission system and control over an undertaking that performs the functions of production and supply of natural gas or electricity, shall not be considered the same legal person.

Prime Ministerial Decree of 25 May 2012, enacted to implement Decree-Law 1 of 24 January 2012, converted with amendments into Law 27 of 24 March 2012.

Article 2 Governance arrangements, conditions and criteria suitable to ensure unbundling.

1. From the end of the period indicated in Article 1, paragraph 1 or, if earlier, from the date of loss of control pursuant to Article 2359, paragraph 1 of the Italian Civil Code of SNAM S.p.A. by Eni S.p.A., for the purposes of implementation of Article 19 of Legislative Decree 93/2011, the voting rights attributed to the shares acquired, including through acts, operations or agreements made in any form, as well as any shares that might be held, directly or indirectly, by producers or suppliers of gas and/or electricity or of undertakings that control them, or which are controlled by or affiliated with them pursuant to the Italian Civil Code, or any powers of appointment to which they are entitled, are limited in conformity with the provisions of Article 19, paragraph 1, letters b) and c) and paragraph 2 of Legislative Decree 93/2011, without prejudice to the provisions of paragraph 2 of this Article.

2. In order to ensure that Snam S.p.A. is a fully fledged third party, after the sale referred to in Article 1, paragraph 2, Cassa Depositi e Prestiti S.p.A. shall guarantee the independence of the owner of activities of production and/or supply of natural gas and the owner and/or the operator of the activity of natural gas transmission, in accordance with the provisions of Article 19 of Legislative Decree 93/2011. In this case the following principles shall be observed:

    a) (omission)

    b) (omission)

    c) the members of the administrative or control body, as well as those who carry out senior management functions in Eni S.p.A. or in its subsidiaries, may not hold any office in the administrative or control body, or exercise senior management functions in Cassa Depositi e Prestiti S.p.A. or Snam S.p.A. and their subsidiaries, nor entertain any direct or indirect relations of a professional or equity nature with said companies; similarly, the members of the administrative or control body, as well as those who exercise senior management functions in Cassa Depositi e Prestiti S.p.A., Snam S.p.A or their subsidiaries, may not hold any office in the administrative or control body or exercise senior management functions in Eni S.p.A. and its subsidiaries, nor entertain any direct or indirect relations of a professional or equity nature with said companies.

Decree 162 of 30 March 2000

Regulations containing rules for setting the professional and ethical requirements for members of the board of statutory auditors of listed companies to be issued based on Article 148 of Legislative Decree 58 of 24 February 1998.

THE MINISTER OF JUSTICE IN CONCERT WITH THE MINISTER OF TREASURY, BUDGET AND ECONOMIC PLANNING

Whereas the Consolidated Act on Financial Intermediation issued by Legislative Decree 58 of 24 February 1998;

Whereas Article 148, paragraph 4 of the Consolidated Act, on the basis of which members of the board of statutory auditors of listed companies must meet the ethical and professional requirements stipulated by regulations adopted by the Minister of Justice, in concert with the Minister of Treasury, Budget and Economic Planning, having heard Consob, Banca d'Italia and Isvap;

Whereas Article 13, paragraph 2 of the Consolidated Act, referring to Article 148, paragraph 4 on the basis of which failure to meet the requirements entails forfeiture of the office, which is to be declared by the board of directors within thirty days of the appointment or of knowledge of the occurrence of the failure to meet the requirements;

Having heard Consob;

Having heard Banca d'Italia;

Having heard Isvap;

Whereas Article 17, paragraph 3 of Law 400 of 23 August 1988; having heard the opinion of the Council of State expressed at a meeting of the consultative section for regulatory acts dated 20 March 2000;

Whereas letter Ref. No 683/U-24/7-2 of 28 March 2000, whereby, pursuant to Article 17, paragraph 3 of the said Law 400/1988, the draft regulation was provided to the Office of the Prime Minister;

Adopts the following regulation:

Article 1

(Professional requirements)

1. Italian companies with shares listed on regulated markets in Italy or in other countries of the European Union must choose at least one effective statutory auditor, or if they are three in number, at least two effective statutory auditors, or if they are greater than three in number and, in all cases, at least one of the alternate statutory auditors from among those registered in the register of auditors who have been active as independent auditors for a period of no less than three years.

2. Statutory auditors who do not meet the requirement provided for in paragraph 1 shall be chosen from among those who have acquired overall experience of at least three years in the performance of:

a) administrative or supervisory activities or management duties at companies with share capital of no less than two million euros, or

b) professional or university teaching activities on legal, economic, financial and technical or scientific subjects closely related to the company’s activities,

or

c) management functions at government-owned entities or government agencies operating in the credit, financial and insurance sectors or in any case in sectors closely related to the company's activities.

3. For purposes of the provisions of paragraph 2, letters b) and c) the bylaws shall specify the subjects and business sectors closely related to that of the company. The bylaws may provide for further additional conditions for meeting the professional requirements provided for in the above paragraphs.

4. The office of statutory auditor may not be held by persons who, for at least eighteen months, during the period between the two years prior to the adoption of the respective measures and during the current year, have carried out administrative, managerial or supervisory functions at companies:

a) subject to insolvency, forced administrative liquidation or comparable procedures;

b) operating in the credit, financial, securities and insurance sector subject to extraordinary administration proceedings.

5. The office of statutory auditor may also not be held by persons against whom a measure has been adopted for removal from the sole national register of foreign exchange agents as provided for in Article 201, paragraph 15 of Legislative Decree 58 of 24 February 1998, and foreign exchange agents who are under a status of exclusion from trading on a regulated market.

6. The prohibition under paragraphs 4 and 5 shall have a duration of three years from the adoption of the respective measures. The period shall be reduced to one year in the event that the measure has been adopted at the request of the businessman, the company administrative bodies or the foreign exchange agent.

Article 2

(Ethical requirements)

1. The office of statutory auditor of the companies mentioned in Article 1, paragraph 1 may not be held by persons that:

a) have been subjected to precautionary measures ordered by judicial authorities pursuant to Law 1423 of 27 December 1956, or Law 575 of 31 May 1965, as amended, without prejudice to the effects of rehabilitation;

b) have been convicted by an irrevocable judgment, without prejudice to the effects of rehabilitation:

1) to a penalty of imprisonment for one of the offences provided for in the rules governing banking, financial and insurance activities and by the rules on markets and financial instruments, tax matters and payment instruments;

2) to imprisonment for one of the offences provided for in Title XI of Book V of the Italian Civil Code and in Royal Decree 267 of 16 March 1942;

3) to imprisonment for a time of no less than six months for an offence against government agencies, public faith, public assets, public order and the public economy;

4) to imprisonment for a time of no less than one year for any offence not involving simple negligence.

2. The office of statutory auditor at the companies mentioned in Article 1, paragraph 1 may not be held by persons against whom the penalties provided for in paragraph 1, letter b) have been applied at the request of the parties, without prejudice to the extinguishment of the offense.

Article 3

(Ascertainment of the requirements)

1. The board of directors of the companies mentioned in Article 1, paragraph 1 must ascertain that the requirements provided for in Articles 1 and 2 are met.

2. With reference to cases governed in whole or in part by foreign law, ascertainment of the existence of situations provided for in Article 1, paragraphs 4 and 5 and Article 2 shall be performed by the board of directors of companies based on an evaluation of substantial equivalency.

Article 4

(Companies operating in sectors subject to oversight)

1. The provisions of this regulation shall also apply to statutory auditors of the companies mentioned in Article 1, paragraph 1 that operate in sectors subject to oversight, together with sector rules providing additional conditions for the professional and ethical requirements for statutory auditors to be met.

Article 5

(Transitory provision)

1. The boards of statutory auditors of the companies mentioned in Article 1, paragraph 1, already appointed, shall remain in office until approval of the financial statements for the current year on the date of entry into force of this regulation. This decree, provided with the Government seal, shall be inserted in the Official Register of regulatory acts of the Italian Republic. It is mandatory for any person to whom it applies to observe and ensure the observance hereof.

Rome, 30 March 2000