RELEVANT LEGISLATION

LEGISLATIVE DECREE No. 58 OF 24 FEBRUARY 1998 Consolidated Law on Finance pursuant to Articles 8 and 21 of Law no. 52 of 6 February 1996

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 125-bis

(Notice of call to shareholders' meetings)

1. The shareholders' meeting is convened by notice published on the company's website within thirty days of the date of the meeting and by other means and within the terms established by Consob with regulation issued in accordance with article 113-ter, subsection 3, including the publication in extract form in the daily newspapers.
2. For shareholders' meetings called to appoint, by means of list voting, members of the board of directors and internal control bodies, the time limit for publication of the notice of call shall be at least forty days prior to the date of the meeting.
3. For shareholders' meetings envisaged in Articles 2446, 2447 and 2448 of the Civil Code, the time limit indicated in subsection 1 shall become at least twenty-one days prior to the date of the meeting.
4. The notice of call shall contain:
a) the indication of the day, time and place of the meeting and the list of matters on the agenda;
b) a clear, precise description of the procedures to be applied in order to attend and vote at the shareholders' meeting, including information concerning:
1) the terms for exercising the right to raise questions prior to the meeting and the right to have additional items placed on the agenda or to present further proposals on items already on the agenda and, also by reference to the company's website, any additional methods by which to exercise these rights;
2) the procedure for the exercise of the vote by proxy and, in particular, the methods for collecting the forms that can be used, optionally, for voting by proxy and the methods, including electronic methods, for communicating any notification of voting by proxy;

3) the procedure for the conferral of proxy to the party appointed by the company in accordance with article 135-undecies, with the specification that the power of proxy shall have no effect for proposals for which no voting instructions have been given;
4) the procedures for voting by correspondence or using electronic means, if envisaged by the Articles of Association;
c) the date specified in article 83-sexies, subsection 2, with the specification that those who become holders of shares only after that date shall not have the right to attend and vote at the shareholders' meeting;
d) the terms and conditions for collecting the full text of the proposed resolutions, together with the explanatory reports and documents to be submitted to the shareholders' meeting;
d-bis) the terms and conditions for presenting lists to elect the members of the board of directors and minority members of the board of auditors or the supervisory board;
e) the address of the website specified in article 125-quater;
f) the other information which must be indicated in the notice calling the meeting pursuant to other provisions.

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 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.

Article 132
(Acquisition of own or parent company shares)
1. Purchases of treasury shares under Articles 2357 and 2357-bis, subsection 1, paragraph 1 of the Civil Code by companies with listed shares must be made so as to ensure equal treatment of shareholders, according to procedures established by Consob in a regulation.
2. Subsection 1 shall also apply to purchases of listed shares made under Article 2359-bis of the Civil Code by a subsidiary.
3. Subsections 1 and 2 shall not apply to purchases of own or parent company shares held by employees of the issuing company, subsidiary companies or the parent company and allotted or subscribed for in accordance with Articles 2349 and 2441, eighth subsection, of the Civil Code, or falling under the scope of the compensation plans approved in accordance with article 114-bis.

Article 135-novies
(Representation at the shareholders' meeting)
1. Any person with the right to vote may indicate one representative for each shareholders' meeting, without prejudice to the right to specify one or more replacements.
2. As an exception to subsection 1, any person with the right to vote may appoint a different representative for each account, used to record financial instrument transactions, valid where the communication envisaged in Article 83-sexies has been issued.
3. As a further exception to subsection 1, if the person indicated as owner of the shares in the communication envisaged in Article 83-sexies acts alone or through registered trustees on behalf of his or her customers, the person in question may indicate others on whose behalf he/she acts, or one or more third parties indicated by such customers, as their representative.
4. If the proxy form envisages such an option, the proxy may arrange for personal substitution by another person of his or her choice, without prejudice to compliance with Article 135-decies subsection 3 and to the right of the person represented to indicate one or more substitutes.
5. In place of the original, the representative may deliver or transmit a copy of the proxy, also in electronic format, confirming his or her liability in compliance of the proxy form to the original and the identity of the delegating party. The representative shall retain the original of the proxy form and keep track of any voting instructions received for a period of one year from closure of the shareholders' meetings concerned.
6. The appointment may be made with a document in an electronic format with a digital signature in accordance with article 21, subsection 2 of Italian Legislative Decree 82 of 7 March 2005. The companies specify in the Articles of Association at least one way of electronic notification of the proxy.
7. Subsections 1, 2, 3 and 4 shall also apply to cases of share transfer by proxy.
8. All of the above without prejudice to the provisions of Article 2372 of the Italian Civil Code. As an exception to article 2372, second subsection of the Italian Civil Code, asset management companies, SICAVs, harmonized management companies and non-EU parties providing collective investment management services may grant representation for more than one shareholders' meeting.

Article 135-decies
(Conflict of interest of the representative and substitutes)
1. Conferring proxy upon a representative in conflict of interest is permitted provided that the representative informs the shareholder in writing of the circumstances giving rise to such conflict of interest and provided specific voting instructions are provided for each resolution in which the representative is expected to vote on behalf of the shareholder. The representative shall have the onus of proof regarding disclosure to the shareholder of the circumstances giving rise to the conflict of interest. Article 1711, second subsection of the Italian Civil Code does not apply.
2. In any event, for the purposes of this article, conflict of interest exists where the representative or substitute:
a) has sole or joint control of the company, or is controlled or is subject to joint control by that company;
b) is associated with the company or exercises significant influence over that company or the latter exercises significant influence over the representative;

c) is a member of the board of directors or control body of the company or of the persons indicated in paragraphs a) and b);
d) is an employee or auditor of the company or of the persons indicated in paragraph a);
e) is the spouse, close relative or is related by up to four times removed of the persons indicated in paragraphs a) to c);
f) is bound to the company or to persons indicated in paragraphs a), b), c) and e) by independent or employee relations or other relations of a financial nature that compromise independence.
3. Replacement of the representative by a substitute in conflict of interest is permitted only if the substitute is indicated by the shareholder. In such cases, subsection 1 shall apply. Disclosure obligations and related onus of proof in any event remain with the representative.
4. This article shall also apply in cases of share transfer by proxy.

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.

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 65-quinquies

(Disclosure of regulated information by means of using a SDIR)

1. The parties indicated in Article 65 bis, subsection 1, may publically disclose the regulated information via an SDIR.
2. Parties who intend to use a SDIR:
a) shall identify a SDIR from among those included in the list of the authorised parties held by Consob, as the system dedicated to the dissemination of all the regulated information, and shall inform Consob thereof before the start of the service, forwarding a copy of the contract finalized with the system manager;
b) shall inform the SDIR manager of the name of a contact person for the necessary contacts, indicating the reference data described in Annex 3I;
c) shall publish the name of the SDIR on its website;
d) must, upon request, be able to inform Consob, in relation to any disclosure of regulated information, of the details of any embargo placed by the same on the regulated information.
3. The parties indicated in subsection 1 who intend to identify a new SDIR in replacement of the one previously chosen, must promptly inform Consob suitably in advance with respect to the date for the termination of the service. The afore-mentioned parties shall observe the methods indicated in subsection 2 for the communication of the choice of the new SDIR.

Article 65-sexies

(Independent disclosure of regulated information)

1. Issuers of securities which do not avail themselves of a SDIR for the disclosure to the public of the regulated information, send Consob:

a) a document suitable for certifying that the methods to be used for the disclosure of the regulated information are compliant with the matters established in Annex 3I; this document must be sent by the day of presentation of the request for the listing of its securities on an Italian regulated market, or suitably in advance with respect to the termination of the service provided by an SDIR previously appointed;
b) an annual disclosure report on observance of the conditions established in Annex 3I. The report, drawn up in accordance with Annex 3O, is forwarded by the end of January following the year of reference.
2. If it considers that the methods for disclosing the regulated information are not suitable for ensuring observance of the instructions envisaged by Annex 3I, Consob may prohibit trading in pursuance of Article 113 ter, subsection 9, paragraph b) of the Consolidated Law providing the issuer and the organised stock exchange company with information at least ten days before the date envisaged for the start of trading.
3. The parties indicated in subsection 1 must be able, upon request, to inform Consob of the following, in relation to any disclosure of regulated information:
a) the name of the individual who has disclosed the information to the media;
b) the security validation details;
c) the time and date when the information was communicated to the media;
d) the medium on which the information was disclosed;
e) if necessary, the details of any embargo placed by the issuer on the regulated information.
4. The parties indicated in subsection 1 shall publish the information relating to the choice of disclosing the regulated information personally on their websites.

Article 65-septies

(Storage and filing of regulated information)

1. By the day of presentation of the listing request, issuers of securities:
a) shall identify an authorised storage device, as the system dedicated to maintaining all the regulated information and at the same time shall inform their parent company and Consob thereof, sending the latter a copy of the contract finalized with the device's manager;
b) shall publish the name and e-mail address of the authorised storage device on its website.
2. The parties indicated in subsection 1 shall forward the regulated information to the authorised storage device, at the same time as its disclosure to the public, in accordance with the methods indicated by the manager of the storage device.
3. The information sent by the parties indicated in paragraph 1, by means of connection with the authorized storage device is intended as also having been sent to Consob.
3-bis. For the purpose of archiving and for deposit at Consob, the issuers of securities:
a) send regulated information to the relative controlled security issuers to the authorised storage mechanism identified by the said controlled subjects, according to the procedures indicated by the storage mechanism manager;
b) ensure the publication of the regulated information relative to the issuers of financial instruments other than controlled securities, at the Internet sites of the said controlled subjects.
4. If the regulated information required by Article 114, subsection 1, of the Consolidated Law on Finance must be disclosed during the negotiations on the regulated market, they are transmitted to Consob and to the market management company at least fifteen minutes before their disclosure, on the part of the subjects indicated in subsection 1.
5. The securities issuers shall publish, on their own Internet sites, the regulated information relative to the same within the opening time of the market on the day after their disclosure. The information shall remain available at the Internet site for at least five years.
6. The parties indicated in subsection 1 shall be considered as having fulfilled:
a) the obligation envisaged in subsection 4 if they use an SDIR for the disclosure to the public of the regulated information;
b) the obligations envisaged in subsections 2 and 3 if they use – for the disclosure to the public of the regulated information – an SDIR which carries out the service for the transmission of the regulated information to the authorised storage device on their behalf.
7. The parties indicated in subsection 1 who intend to identify an authorised storage device other than that previously chosen, must inform Consob thereof suitably in advance with respect to the date envisaged for the termination of the service. The afore-mentioned parties observe the methods indicated in subsection 1 for the communication of the choice of the new authorised storage device.

Article 70

(Mergers, spin-offs and capital increases by means of the conferral of assets in kind)

1. At least thirty days prior to the shareholders' meeting called to resolve on mergers or spin-offs, the issuers of shares shall make available to the public, at the registered office and in the ways specified by Articles 65-quinquies, 65-sexies and 65-septies, the documentation established by Article 2501-septies, numbers 1) and 3) and Articles 2506-bis and 2506-ter of the Italian Civil Code.

2. The explanatory report of the administrative body established by Articles 2501-quinquies and 2506-ter of the Italian Civil Code is prepared according to the general criteria set out by Annex 3A and published in the ways specified by Articles 65-quinquies, 65-sexies and 65-septies.

3. Issuers of shares send the following to Consob:

a) copy of the deed of merger or spin-off with the indication of the date of registration in Companies House, within ten days of the deposit established by Articles 2504 and 2506-ter of the Italian Civil Code through the remote collection system, in accordance with the specific methods specified by Consob in its communication;

b) the amended articles of association, within thirty days of filing with Companies House using the remote collection system, in accordance with the specific methods specified by Consob in its communication.

4. For share capital increases implemented by means of the conferral of assets in kind, the issuers of shares:

a) at least thirty days prior to the date of the shareholders'meeting send to Consob, using the remote collection system, in accordance with the specific methods specified by Consob in its communication, the explanatory report of the administrative body established by Article 2441, paragraph 6 of the Italian Civil Code, prepared in accordance with the general criteria set forth in Annex 3A;

b) at least twenty-one days prior to the date of the shareholders'meeting, make available to the public at the company's headquarters and in the ways specified by Articles 65-quinquies, 65-sexies and 65-septies, the explanatory report established under letter a) above;

c) at least twenty-one days before the shareholders' meeting they shall make available to the public at the company's head office and with the procedures indicated by Articles 65-quinquies, 65-sexies and 65-septies, the opinion on the consistency of the issue price of the shares issued by a qualified auditor or by a qualified auditing firm. The sworn report of the expert designated by the court in accordance with Article 2343 of the civil code or the documentation indicated in Article 2343-ter, subsection 2, of the civil code, is made available to the public according to the same procedures, at least fifteen days before that fixed by the shareholders' meeting.

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6. Issuers of shares, in the event of significant mergers, spin-offs or share capital increase by means of the conferral of assets in kind, identified according to the general criteria indicated in Annex 3B, or on request of Consob, in relation to the characteristics of the operation and without prejudice to the provisions of paragraph 8, make available to the public, at the company headquarters and in the ways specified by Articles 65-quinquies, 65-sexies and 65-septies, at least fifteen days prior to the date scheduled for the shareholders'meeting, an informative document prepared in compliance with Annex 3B.

7. In the cases where the operations indicated in the previous paragraphs should be resolved by bodies other than the shareholders'meeting, in accordance with Articles 2365, paragraph 2, 2505, paragraph 2, 2505-bis, paragraph 2, 2506-ter and Article 2443, paragraphs 2 and 3 of the Italian Civil Code:

a) the documents specified under paragraphs 1 and 4 that the Italian Civil Code establishes must be made available to shareholders prior to resolution by the competent body, are made available to the public within the terms established by the Italian Civil Code, at the company's headquarters and in the ways specified by Articles 65-quinquies, 65-sexies and 65-septies;

b) the information document indicated in paragraph 6 is made available to the public at the company's headquarters and in the ways specified by Articles 65-quinquies, 65-sexies and 65-septies, within fifteen days of the resolution being passed by the competent body;

c) the minutes of the resolutions passed are made available to the public at the company's headquarters and in the ways specified by Articles 65-quinquies, 65-sexies and 65-septies, within thirty days of the date of the resolutions.

7-bis. The disclosure of the information contemplated by this Article is subject to Article 65-bis, subsection 2.

8. Without prejudice to the disclosure obligations of law and unless the regulation adopted by the market management company provides otherwise, the issuers may derogate compliance with subsection 6, informing Consob, to the market management company and to the public at the moment of the presentation of the application for the admission for the listing of its own shares. The information relative to this choice is provided by the issuers of shares, also within the financial reports published in accordance with Article 154-ter of the Consolidated Law.

Article 73

(Purchase and sale of treasury shares)

1. At least twenty-one days prior to the date scheduled for the shareholders' meeting convened to resolve on the purchase and sale of treasury shares, the issuers of shares shall make available to the public at the company's headquarters and in the ways specified by Articles 65-quinquies, 65-sexies and 65-septies, the explanatory report of the administrative body prepared in compliance with Annex 3A. Article 65-bis, paragraph 2 applies to the public disclosure of the information established by this paragraph.

Italian Civil Code

Art. 2506-bis
(Demerger Plan)
The governing body of the companies taking part in the demerger must draft a plan providing the information specified in subsection one of Article 250 1-ter and additionally the exact description of the assets to be assigned to each beneficiary company, along with any payment in cash.
If the allocation of the asset item may not be inferred from the plan, in the case of the assignment of the entire equity of the company being demerged, it shall be shared between the beneficiary companies proportionate to the share of the net equity assigned to each one of them, as valued for the purpose by calculating the exchange ratio; if the assignment of the company's assets is only partial, this item remains with the transferor company.
If the allocation of items on the liabilities side of the balance sheet may not be inferred from the plan, the beneficiary companies are jointly responsible in the first case, and in the second case, the demerged company and beneficiary companies are jointly responsible. Joint liability is limited to the actual value of the net equity attributed to each beneficiary company.
The demerger plan must present the criteria for distributing the shares or units to beneficiary companies. If the plan envisages the attribution of equity interests to shareholders not proportional to their original shareholding, the plan must empower shareholders who do not approve the demerger to sell their shareholding for an amount to be calculated on the basis of the criteria envisaged for withdrawal, indicating the person/s on whom it is incumbent to make the purchase.
The demerger plan must be filed with the Business Register or published in the company Internet website pursuant to Article 2501-ter, subsections three and four.

Art. 2506-ter
(Applicable Standards)
The governing body of the companies taking part in the demerger must draft a balance sheet and an illustrative report in compliance with Articles 2501-quater and 2501-quinquies.
The report by the governing body must also illustrate the criteria for distributing the shares or units, and must indicate the actual value of the net equity assigned to the beneficiary companies, and any value that may remain with the demerged company. When the demerger is realized through a capital increase with a contribution of kind and credits, the report of the administrative body mentions, where provided, the elaboration of the report referred to Article 2343 and the register of enterprises in which this report is filed.
Article 2501-sexies applies to a demerger; the requisite report is not required when the demerger takes place through the establishment of one or more new companies, and the criteria for attributing the shares or units do not differ from a proportional approach.
With unanimous consent from shareholders and holders of other financial instruments with voting rights in the companies taking part in the demerger, the governing body may be waived from drafting the documents envisaged in the preceding subsections.
Articles 2501-septies, 2502, 2502-bis,2503, 2503-bis, 2504, 2504-ter, 2504-quater, 2505, 2505-bis and 2505-ter also apply to a demerger. All references to mergers in the above-mentioned articles also refer to demergers.

Art. 2506-quarter
(Effects of a Demerger)
A demerger takes effect after the final registration of the demerger deed at the Business Register office where the beneficiary companies are registered; a later date may nevertheless be chosen, except in cases where the demerger is undertaken through the establishment of new companies. Earlier dates may be chosen pursuant to the provisions of Article 2501-ter items 5 and 6. Subsection four of Article 2504-bis applies.
Any beneficiary company may undertake the disclosure requirements regarding the demerged company.
Each company is jointly responsible, up to the limit of the actual value of the net equity assigned to it or remaining, for debts of the demerged company not satisfied by the company responsible for them.

Art. 2501-ter

(Merger program)

The administrative body of the companies participating in consolidation or merger draws up a consolidation or merger program which shall in all cases show:

1. The type, the name or company's style, the legal address of the company participating in the consolidation or merger;
2. The articles of association of the new company resulting from the consolidation or merger or of the absorbing company with the amendments, if any, deriving from the consolidation or merger;
3. The ratio of exchange of the shares or quotas as well as the cash adjustments, if any;
4. The procedure for the allocation of the shares or quotas of the company resulting from the consolidation or merger of the absorbing company;
5. The date from which such shares or quotas participate in the profits;
6. The date as of which the operations of the companies participating in the merger or consolidation are charged to the accounts of the companies resulting from the merger or consolidation or of the absorbing company;
7. The treatment, if any, reserved for particular categories of members and for the holders of securities other than shares;
8. The particular benefits, if any, proposed in favor of the subject entrusted with the management of the companies participating in the consolidation or merger.

The cash adjustments mentioned in number 3) of the preceding paragraph may not exceed 10 per cent of the nominal value of the shares or the quotas allocated.

The merger program shall be filed for registration in the register of enterprises of the place where the companies participating in the consolidation or merger have their legal address. Alternatively to the filing in the register of enterprises, the merger program is published on the company's website, with arrangements to ensure security of the website, the authenticity of documents and the certainty of the date of publication.

Between the filing or the publication on the website of the program and the date fixed for the resolution of the merger there must be at least 30 days unless the members unanimously waive such term.

Art. 2501-quarter

(Financial statement)

The administrative body of the companies participating in the consolidation or merger shall draw up, in observance of the rules on the financial statements, the balance sheet of the said companies, as the date not earlier than one hundred and twenty days prior to the day on which the consolidation or merger program is deposited at the company's legal address or published on the website of this.

The annual accounts of the last fiscal year may be substituted for the balance sheet provided that such accounts were closed not more than six months prior to the day of the deposit or of publication referred to in the first paragraph, or, in case of company listed on the regulated markets, the half-yearly financial report provided by special laws, as long as it does not refer to a date before six months from the day of deposit or publication mentioned in the first paragraph.

The financial statement is not required if the shareholders or holders of other financial instruments, which grant the voting rights of each of the companies participating to the consolidation or merger, unanimously waive it.

Art. 2501-quinquies

(Report of the administrative body)

The administrative body of the companies participating in the consolidation or merger shall draw up a report commenting on and justifying, from a legal and economic profile, the merger or consolidation program and, in particular, the exchange ratio of the shares or quotas.

The report shall indicate the criteria followed in establishing the exchange ratio. The difficulties of evaluation, if any, shall be pointed out in the reports.

The administrative body reports to the shareholders at the meeting, and to the administrative body of the other companies participating to the merger, the major changes of assets and liabilities may have occurred between the date on which the project of merger is deposited at the legal address of the company or published on the website of this and the date of the decision on the merger.

The report referred to in the first paragraph is not required if the shareholders and the holders of other financial instruments which grant the voting rights of each of the companies participating to the consolidation or merger, unanimously waive it.

Art. 2501-sexies

(Report by experts)

One or more experts for each company shall draw up a report on adequacy of the exchange ratio of shares or quotas indicating:

a) The method or methods followed to establish the proposed exchange ratio and the values resulting from the application of each method;
b) The difficulties of evaluation, if any;

Furthermore, the report shall contain an opinion on the adequacy of the method or methods followed to establish the exchange ratio and the relevant importance attributed to each of them in establishing the adopted value.

The expert or experts are chosen among the subjects referred to in the first paragraph of Article 2409-bis, if the incorporating company or the company resulting from the consolidation or the merger is a joint stock company or a limited partnership by shares, are designated by the tribunal of the place where the company has its legal address. With respect to companies listed on the regulated markets, the expert is chosen among the auditing firms registered in the specific register.

The companies participating in the consolidation or merger may in any case jointly request the tribunal of the place where the legal address of the company resulting from the consolidation or merger is located the appointment of one or more common experts.

Each expert has the right to obtain from the companies participating in the consolidation or merger all useful information and documents and to proceed with any necessary verification.

The expert shall be answerable for the damages caused to the companies participating in the consolidation or merger, their members and third persons. The provisions of Article 64 of Civil Code Procedure apply.

The subjects indicated in the preceding third and fourth paragraphs are also entrusted in the case of consolidation or merger of partnerships with limited liability companies with the drafting of the appraisal report of the assets of the partnerships in accordance with Article 2343.

The report pursuant to the first paragraph is not required in the event the right threof is waived by the shareholders and the holders of other securities granting voting rights of each of the company taking part in the merger.

Art. 2501-septies

(Filing of documents)

Copies of the following documents shall remain on deposit at the legal address of the companies participating in the consolidation or merger during the thirty days preceding the meeting and until the consolidation or merger shall have been resolved unless members unanimously waive to such term and until the consolidation or merger is resolved:

1) the consolidation or merger program with the reports refered to in Article 2501-quinquies and in Article 2501-sexies;
2) the annual accounts of the last three fiscal years of the companies participating in the consolidation or merger, with the reports of the subject entrusted with the management and the accounting control;
3) the balance sheets of the companies participating in the consolidation or merger drawn up pursuant to Article 2501-quarter.

The members have a right to review these documents and to obtain a copy of them at no charge.

Art. 2357

(Purchase of own shares)

A company cannot purchase its own shares except to the extent of the profits available for distribution and of available reserves as evidenced in the last duly approved balance sheet. Only shares that are fully paid can be purchased.

The purchase must be authorized by the meeting, which establishes the procedures of the purchase, indicating in particular the maximum number of shares to be purchased, the period, not exceeding eighteen months, for which the authorization is accorded, the minimum price and the maximum price.

In no event can the par value of the shares purchased, pursuant to the first and second paragraphs, from the companies which make use of the risk capital market, exceed one-fifth of the capital stock taking into account for this purpose also the shares owned by the subsidiaries.

Shares purchased in violation of the preceding paragraphs must be sold in accordance with the procedures to be established by the meeting, within one year from their purchase. Failing this, action must be taken without delay for their cancellation and a corresponding reduction of the capital stock. If the meeting fails to take action, the directors and the auditors must request that provisions for the reduction be taken by the tribunal in accordance with the procedure contemplated by Article 2446, second paragraph.

The provisions of this article apply also for purchases made through a fiduciary company or an intermediary.

Article 2357-ter

(Rules concerning own shares)

Directors may not dispose of the shares acquired pursuant to the two preceding articles without prior authorization of the meeting, which must establish the relevant modalities. For this purpose subsequent transactions of purchase and sale may be contemplated within the limits set forth in the first and second paragraphs of Article 2357.

As long as the shares are owned by the company, the right to profits and the right of option are attributed in proportion with the other shares. The voting rights are suspended, but the shares owned by the company are nevertheless computed in the capital stock for purposes of calculation the proportions required for the constitution and resolutions of the meeting. In the companies which make use of the risk capital market, the calculation of the own shares by the company is regulated at Article 2368, third paragraph.

The purchase of own shares by the company implicates a decrease of the net equity of the same amount, through the inclusion among the liabilities of the balance sheet of a specific item, with a negative sign.

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.