

## TERMS AND CONDITIONS OF THE BONDS

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

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

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

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

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

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

**FOR OFFERING OR SELLING THE BONDS OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EEA OR THE UNITED KINGDOM HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE BONDS OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA OR THE UNITED KINGDOM MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION.**

*The following, subject to completion and amendment, and save for the paragraphs in italics, is the text of the Terms and Conditions of the Bonds.*

The issue of the €500,000,000 1.75 per cent. Equity Linked Bonds due 2027 (the “**Bonds**”, which expression shall, unless otherwise indicated, include any Further Bonds (as defined below)) was (save in respect of any Further Bonds) authorised by a resolution (*delibera*) of the board of directors of Nexi S.p.A. (the “**Issuer**”) passed on 15 April 2020 and by a decision (*determina*) of the Chief Executive Officer of the Issuer dated 17 April 2020.

The Bonds are constituted by a trust deed dated 24 April 2020 (the “**Trust Deed**”) between the Issuer and Citicorp Trustee Company Limited (the “**Trustee**”, which expression shall include all persons for the time being appointed as the trustee or trustees under the Trust Deed) as trustee for the Bondholders (as defined below). The statements set out in these Terms and Conditions (the “**Conditions**”) are summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bonds. The Bondholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and those provisions applicable to them which are contained in the Paying, Transfer and Conversion Agency Agreement dated 24 April 2020 (the “**Agency Agreement**”) relating to the Bonds between the Issuer, the Trustee and Citibank N.A., London Branch (the “**Principal Paying, Transfer and Conversion Agent**”, which expression shall include any successor as Principal Paying, Transfer and Conversion Agent under the Agency Agreement), the Paying, Transfer and Conversion Agents for the time being (such persons, together with the Principal Paying, Transfer and Conversion Agent, being referred to below as the “**Paying, Transfer and Conversion Agents**”, which expression shall include their successors as Paying, Transfer and Conversion Agents under the Agency Agreement) and Citigroup Global Markets Europe AG in its capacity as registrar in respect of the Bonds (the “**Registrar**”, which expression shall include any successor as registrar under the Agency Agreement).

The Issuer has also entered into a calculation agency agreement (the “**Calculation Agency Agreement**”) dated 24 April 2020 with Conv-Ex Advisors Limited (the “**Calculation Agent**”, which expression shall include any successor as calculation agent under the Calculation Agency Agreement) whereby the Calculation Agent has been appointed to make certain calculations in relation to the Bonds. The Bondholders are deemed to have notice of all of the provisions of the Calculation Agency Agreement applicable to them.

Copies of the Trust Deed, the Agency Agreement and the Calculation Agency Agreement are available to Bondholders upon any reasonable request for inspection during normal business hours at the specified offices of the Paying, Transfer and Conversion Agents.

Capitalised terms used but not defined in these Conditions shall have the meanings attributed to them in the Trust Deed unless the context otherwise requires or unless otherwise stated.

Each Bond will, subject to these Conditions, entitle the holder, on or after the Long-Stop Date (as defined below) (or, if earlier, and provided that the Physical Settlement Date (as defined below) has not then occurred, the occurrence of a Change of Control or Free Float Event) and prior to the Physical Settlement Date, to require the redemption of such Bond for the relevant Cash Alternative Amount (as defined below) (provided that the Physical Settlement Date does not occur prior to the Long-Stop Date) and, on or following the Physical Settlement Date (if any), to convert such Bond into Ordinary Shares, in each case in accordance with, and as described in, Condition 6.

## 1 **Form, Denomination, Title, Status and Guarantees**

### (a) *Form and Denomination*

The Bonds are in registered form, serially numbered, in principal amounts of €100,000 each (the “**Authorised Denomination**”).

(b) *Title*

Title to the Bonds will pass by transfer and registration as described in Condition 4. The holder (as defined below) of any Bond will (except as otherwise required by law or as ordered by a court of competent jurisdiction) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or its theft or loss (or that of the related certificate, as applicable) or anything written on it or the certificate representing it (other than a duly executed transfer thereof)) and no person will be liable for so treating the holder.

(c) *Status of the Bonds*

The Bonds constitute direct, unconditional, unsubordinated and (subject to Condition 2) unsecured obligations of the Issuer ranking *pari passu* and rateably, without any preference among themselves, and equally with all other existing and future unsecured and unsubordinated obligations of the Issuer but, in the event of a winding up of the Issuer save for such obligations that may be preferred by provisions of law that are mandatory and of general application.

(d) *Guarantee and Status of the Guarantee*

(i) Subject to the provisions of Condition 1(d)(iv) below and any mandatory limitations under applicable law (including mandatory limitations that may result in such future guarantees being unable to be granted or invalid), if at any time while any Bond remains outstanding (as defined in the Trust Deed):

- a. for so long as any of the Issuer's Senior Notes due 2024 remain outstanding, any Subsidiary of the Issuer provides (or at the time it becomes a Subsidiary of the Issuer is providing) a guarantee in respect of the Senior Notes due 2024: or
- b. if none of the Senior Notes due 2024 remain outstanding:
  - (A) any Subsidiary of the Issuer guarantees any present or future Relevant Indebtedness of (1) the Issuer or (2) any other Subsidiary of the Issuer which has guaranteed Relevant Indebtedness of the Issuer; or
  - (B) any Subsidiary of the Issuer issues or has outstanding any Relevant Indebtedness which has the benefit of a guarantee from (1) the Issuer or (2) any other Subsidiary of the Issuer which has guaranteed Relevant Indebtedness of the Issuer,

then the Issuer covenants that it shall procure that each such Subsidiary (each such Subsidiary, a “**Subsidiary Guarantor**”) shall (A) use all reasonable endeavours to satisfy the Trustee’s customer acquisition due diligence and “Know Your Customer” requirements and, subject to such Subsidiary satisfying the Trustee’s customer acquisition due diligence and “Know Your Customer” requirements, (B) promptly following, and in any event no later than 30 Milan business days following, the date of the giving of such guarantee or, if later, 30 Milan business days after the date on which it becomes a Subsidiary Guarantor and is providing such a guarantee, execute and deliver a supplemental trust deed to the Trustee, such supplemental trust deed to be in form and substance satisfactory to the Trustee, and accompanied by such opinion(s) as the Trustee shall require, pursuant to which such Subsidiary shall guarantee the payment obligations of the Issuer in respect of the Bonds and the Trust Deed. Subject to the satisfaction of the other provisions of this Condition 1(d) but without any consent or direction from the Bondholders, the Trustee shall use its reasonable endeavours to effect the accession of a Subsidiary Guarantor and the giving of the Guarantee.

Following the accession of a Subsidiary Guarantor to the Trust Deed, such Subsidiary Guarantor shall be bound by these Conditions and the Trust Deed in all respects as if it had been an original party hereto and thereto. Each Subsidiary Guarantor's obligations in respect of Condition 1(d) (each, a "**Guarantee**" and together the "**Guarantees**") shall be contained in the Trust Deed, as supplemented.

Furthermore, the Issuer shall procure that such amendments are made to the Conditions and the Bonds as are necessary, in the opinion of the Trustee, to ensure that the Bonds may be guaranteed by the Subsidiary Guarantors *mutatis mutandis* in accordance with and subject to the Trust Deed with such amendments as the Trustee shall consider appropriate.

Each Guarantee will be on a joint and several basis with each other Guarantee, subject to any relevant enforceability exceptions, and to limitations on the amount and the extent of such Guarantee imposed by the laws of the relevant jurisdiction and by the criteria under this Condition 1(d) to the extent applicable.

The Trustee shall have no duty to monitor whether a Subsidiary of the Issuer is required to become a Subsidiary Guarantor pursuant to this Condition 1(d) and, until it has received express notice in writing from the Issuer of the same, shall be entitled to assume, without enquiry and without liability, that no such requirement has arisen.

- (ii) Each Guarantee will constitute direct, unconditional, unsubordinated and (subject to Condition 2) unsecured obligations of the relevant Subsidiary Guarantor ranking *pari passu* and rateably, without any preference among themselves, and equally with all other existing and future unsecured and unsubordinated obligations of the relevant Subsidiary Guarantor but, in the event of a winding up of the relevant Subsidiary Guarantor save for such obligations that may be preferred by provisions of law that are mandatory and of general application.
- (iii) Release of a Subsidiary Guarantor

A Subsidiary Guarantor shall cease to be a Guarantor in the following circumstances and upon certification of the same by the Issuer in writing to the Trustee in a certificate signed by an Authorised Signatory (as defined in the Trust Deed) of the Issuer:

- a. no Event of Default or Potential Event of Default is continuing or will result from the release of that Subsidiary Guarantor;
- b. no part of the indebtedness in respect of which that Subsidiary Guarantor is or was providing a guarantee at that time is due and payable but unpaid; and
- c. such Subsidiary Guarantor is not (or will cease to be simultaneously with such release) providing a guarantee in respect of (1) (for so long as any of the Senior Notes due 2024 remains outstanding) the indebtedness under the Issuer's Senior Notes due 2024 or (2) (if none of the Senior Notes due 2024 remain outstanding) any other Relevant Indebtedness as is referred to at Condition 1(d)(i)b. above.

Upon the Trustee's receipt of such certificate (which the Trustee may rely on without liability to any person and without enquiry), such Subsidiary Guarantor shall immediately, automatically and irrevocably be released and relieved of any obligation under its Guarantee and the Trust Deed and the Trustee shall take (at the request, cost and expense of the Issuer and such Subsidiary Guarantor and without the consent or approval of the Bondholders) any necessary action required by the Issuer and/or such Subsidiary Guarantor to effect such release. Such notice must contain a certification to the effect provided in (a) to (c) above. Notice of the

release of a Subsidiary Guarantor shall also be given to the Bondholders in accordance with Condition 17 promptly after such release. A Subsidiary Guarantor that has been released pursuant to this Condition 1(d)(iii) may subsequently be required to provide a Guarantee pursuant to Condition 1(d)(i).

- (iv) The obligations under this Condition 1(d) of each Guarantor incorporated in Italy are subject to the limitations as set out in Clause 4.4 (*Guarantee Limitations*) of the Trust Deed.

## 2 Negative Pledge

So long as any Bond remains outstanding (as defined in the Trust Deed), the Issuer will not create or have outstanding, and will ensure that none of its Subsidiaries will create or have outstanding, any mortgage, charge, lien, pledge or other encumbrance or security interest (each a “**Security Interest**”) other than a Permitted Encumbrance, upon the whole or any part of its present or future business, undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness or to secure any guarantee or indemnity in respect of any Relevant Indebtedness, unless in any such case, before or at the same time as the creation of the Security Interest, any and all action necessary shall have been taken to ensure that:

- (A) all amounts payable by the Issuer under the Bonds are secured equally and rateably with the Relevant Indebtedness or guarantee or indemnity, as the case may be; or
- (B) such other Security Interest or guarantee or other arrangement (whether or not including the giving of a Security Interest) is provided in respect of all amounts payable by the Issuer under the Bonds as either (i) the Trustee shall in its absolute discretion deem not materially less beneficial to the interest of the Bondholders or (ii) shall be approved by an Extraordinary Resolution of the Bondholders.

For the purposes of these Conditions, “**Permitted Encumbrance**” shall mean any Security Interest:

- (A) existing on the Closing Date, together with any replacement, renewal or extension in duration of any such Security Interests from time to time, provided that upon any such replacement, renewal or extension in duration of any Security Interest (i) the principal amount secured thereby (other than as a result of capitalisation of interest and accrual of any default interest) is not increased and (ii) such Security Interest does not extend to any additional assets of the Issuer or any of its Subsidiaries;
- (B) over or affecting any asset acquired by the Issuer or any Subsidiary after the Closing Date if (i) the Security Interest was not created in contemplation of the acquisition of that asset by the Issuer or such Subsidiary and (ii) the principal amount secured (other than as a result of capitalisation of interest and accrual of any default interest) has not been increased in contemplation of or since the date of the acquisition of that asset by the Issuer or such Subsidiary, together, in each case, with any replacement, renewal or extension in duration of that Security Interest from time to time, provided that upon any such replacement, renewal or extension in duration (i) the principal amount secured thereby (other than as a result of capitalisation of interest and accrual of any default interest) is not increased and (ii) such Security Interest does not extend to any additional assets of the Issuer or any of its Subsidiaries;
- (C) over or affecting any asset of any person which becomes a Subsidiary after the Closing Date if (i) the Security Interest was not created in contemplation of the acquisition of that person and (ii) the principal amount secured (other than as a result of capitalisation of interest and accrual of any default interest) has not increased in contemplation of or since the date of the acquisition of that person, together, in each case, with any replacement, renewal or extension in duration of that

Security Interest from time to time, provided that upon any such replacement, renewal or extension in duration (i) the principal amount secured thereby (other than as a result of capitalisation of interest and accrual of any default interest) is not increased and (ii) such Security Interest does not extend to any additional assets of the Issuer or any of its Subsidiaries;

- (D) over any asset to secure Relevant Indebtedness incurred to finance the purchase, improvement or construction of such asset provided that the only recourse the creditor of such Relevant Indebtedness has to any property of the Issuer or any Subsidiary is to that asset; or
- (E) granted prior to the last date on which any Senior Notes due 2024 were outstanding and which was at such time permitted to be granted under the terms of the Senior Notes due 2024 without the Senior Notes due 2024 thereby becoming entitled to the benefit of such (or any other) Security Interest or any other rights or protections.

### 3 Definitions

In these Conditions, unless otherwise provided:

“**acting in concert**” has the meaning set out in article 101bis of the Italian Legislative Decree 24 February 1998, No. 58 and the relevant implementing regulations.

“**Additional Cash Alternative Amount**” has the meaning provided in Condition 6(c).

“**Additional Ordinary Shares**” has the meaning provided in Condition 6(c).

“**Affiliate**” of any specified person means any other person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified person. For purposes of this definition, “**control**,” as used with respect to any person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such person, whether through the ownership of voting securities, by agreement or otherwise. For purposes of this definition, the terms “**controlling**,” “**controlled by**” and “**under common control with**” shall have correlative meanings.

“**Applicable Date**” means (i) in the case of a Retroactive Adjustment pursuant to Conditions 6(b)(ii), 6(b)(iii), 6(b)(iv), 6(b)(v) or 6(b)(ix), the relevant Ex-Date and (ii) in the case of any other Retroactive Adjustment, the RA Reference Date (as defined below) in respect of such Retroactive Adjustment.

“**Bondholder**” and “**holder**” mean the person in whose name a Bond is registered in the Register (as defined in Condition 4(a)).

“**Borrowings**” means, at any time, the aggregate outstanding principal, capital or nominal amount of any Indebtedness of the Issuer or its Subsidiaries (on a consolidated basis) other than:

- (1) any Indebtedness owed by the Issuer to any Subsidiary, by any Subsidiary to the Issuer or any Subsidiary to another Subsidiary;
- (2) any indebtedness referred to in clause (6) of the definition of Indebtedness; and
- (3) in relation to the minority interests line in the balance sheet of the Issuer or any of its Subsidiaries.

“**business day**” means (save in relation to Condition 8(g)), in relation to any place, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business in that place.

“**Card Scheme**” means any credit, debit, charge card or other similar scheme (including but not limited to American Express, Diners Club, Mastercard and Visa).

“Cash Alternative Amount” means an amount in euro (rounded to nearest whole multiple of €0.01, with €0.005 being rounded upwards) calculated by the Calculation Agent in accordance with the following formula and which shall be payable by the Issuer to a Bondholder in respect of the relevant Cash Settled Shares:

$$CAA = \sum_{n=1}^N \frac{1}{N} \times CSS \times P_n$$

where:

- CAA = the Cash Alternative Amount;
- CSS = the Cash Settled Shares
- P<sub>n</sub> = the Volume Weighted Average Price of an Ordinary Share (translated if necessary into euro at the Prevailing Rate) on the nth dealing day of the Cash Alternative Calculation Period; and
- N = 20, being the number of dealing days in the Cash Alternative Calculation Period,

provided that:

- (a) if any Dividend or other entitlement in respect of the Ordinary Shares is announced, on or prior to or after the relevant Settlement Date in circumstances where the record date or other due date for the establishment of entitlement in respect of such Dividend or other entitlement shall be on or after the relevant Settlement Date and if on any dealing day in the Cash Alternative Calculation Period the Volume Weighted Average Price determined as provided above is based on a price ex-such Dividend or ex-such other entitlement, then such Volume Weighted Average Price shall be increased by an amount equal to the Fair Market Value of any such Dividend or other entitlement per Ordinary Share as at the Ex-Date in respect of such Dividend or entitlement, determined on a gross basis and disregarding any withholding or deduction required to be made for or on account of tax, and disregarding any associated tax credit, all as determined by the Calculation Agent, provided that where such Fair Market Value as aforesaid cannot be determined in accordance with these Conditions before the third Milan business day before the date on which payment of the Cash Settlement Amount is to be made, the relevant Volume Weighted Average Price as aforesaid shall be adjusted in such manner as determined in good faith to be appropriate by an Independent Adviser no later than such third Milan business day before such payment date as aforesaid;
- (b) if any Additional Cash Alternative Amount is due in respect of any exercise of Settlement Rights in respect of which a Cash Alternative Amount is being determined, any Volume Weighted Average Price on any dealing day falling in the relevant Cash Alternative Calculation Period but before the Applicable Date shall be multiplied by the adjustment factor (as determined pursuant to these Conditions) applied to the Conversion Price in respect of the relevant Retroactive Adjustment, all as determined by the Calculation Agent, provided that where such adjustment factor as aforesaid cannot be determined in accordance with these Conditions before the second TARGET Business Day before the date on which payment of the Cash Alternative Amount is to be made, the relevant Volume Weighted Average Price as aforesaid shall be adjusted in such manner as determined in good faith to be appropriate by an Independent Adviser no later than such second TARGET Business Day before such payment date as aforesaid; and
- (c) if any doubt shall arise as to the calculation of the Cash Alternative Amount or if such amount cannot be determined as provided above, the Cash Alternative Amount shall be equal to such amount as is determined in such other manner as an Independent Adviser shall consider in good faith to be appropriate to give the intended result.



**“Cash Alternative Calculation Period”** means, in respect of the exercise of a Settlement Right by a holder, a period of 20 consecutive dealing days commencing on the second dealing day following the relevant Settlement Date.

**“Cash Interest Expense”** means, for any Relevant Period, the aggregate amount of accrued interest and recurring amounts in the nature of interest in respect of Borrowings paid or payable by the Issuer or any of its Subsidiaries (calculated on a consolidated basis) in cash in respect of that Relevant Period:

- (1) excluding any upfront fees or costs (including any arrangement, underwriting, original issue discount, participation fees and other similar issue fees or costs or other costs or expenses) or agency fees and, in each case, any amortisation of such fees, costs or expenses;
- (2) excluding any repayment and prepayment premiums, fees or costs;
- (3) excluding any interest cost, actual or deemed finance charges in relation to any Pension Items;
- (4) including fees payable in connection with the issue or maintenance of any bond, letter of credit, guarantee or other assurance against financial loss which constitutes Borrowings and is issued by a third party on behalf of the Issuer or any of its Subsidiaries;
- (5) including commitment, utilisation and non-utilisation fees;
- (6) including the interest (but not the capital) element of payments in respect of Lease Obligations;
- (7) including any amounts payable by (and deducting any amounts payable to) the Issuer and any Subsidiary during the Relevant Period under Treasury Transactions in relation to interest and amounts in the nature of interest and taking into account, in so far as they relate to interest, the hedging effect of currency hedging in relation thereto but excluding Hedge Purchase and Termination Costs;
- (8) excluding any Transaction Costs or, in each case, amortisation thereof;
- (9) taking no account of any unrealised gains or losses on any Treasury Transactions; and
- (10) excluding (i) any other non-cash return interest in respect of Borrowings and (ii) the amount of any discount amortised and other non-cash interest charges.

**“Cash Settled Shares”** means, in respect of any exercise of a Settlement Right by a holder where the Settlement Date falls prior to the Physical Settlement Date, the number of Ordinary Shares (including, for this purpose, any fraction of an Ordinary Share) determined by dividing the aggregate principal amount of the relevant Bonds in respect of which the Settlement Right shall have been exercised by the relevant Bondholder by the Conversion Price in effect on the relevant Settlement Date except that where the Settlement Date falls on or after the date an adjustment to the Conversion Price takes effect pursuant to Conditions 6(b)(i), 6(b)(ii), 6(b)(iii), 6(b)(iv), 6(b)(v) or 6(b)(ix) but on or prior to the record date or other due date for establishment of entitlement in respect of the relevant event giving rise to such adjustment, then the Conversion Price in respect of such exercise shall be such Conversion Price as would have been applicable to such exercise had no such adjustment been made.

A **“Change of Control”** shall occur if:

- (i) an offer is made (other than by a Permitted Holder) to all (or as nearly as may be practicable all) Shareholders or all (or as nearly as may be practicable all) such Shareholders other than the offeror

and/or any associate of the offeror to acquire all or a majority of the Shares and the offeror acquires control of the Issuer (other than as a result of an Exempt Newco Scheme), or

- (ii) a person (other than a Permitted Holder) or persons, acting in concert or acting together, acquires control of the Issuer (other than as a result of an Exempt Newco Scheme),

where in each case “**control**” means the acquisition or holding or legal or beneficial ownership or control of, in aggregate, more than 50 per cent. of the Voting Rights of the Issuer, provided that in the case of paragraph (ii) the Voting Rights attributable to Shares held by any Permitted Holder acting in concert with or together with any other person or persons shall be disregarded in calculating whether such other persons or persons acting together or in concert have acquired control of the Issuer.

“**Closing Date**” means 24 April 2020.

“**Closing Price**” means, in respect of an Ordinary Share or any Security, Spin-Off Security, option, warrant or other right or asset on any dealing day, the closing price on the Relevant Stock Exchange on such dealing day of an Ordinary Share or, as the case may be, such Security, Spin-Off Security, option, warrant or other right or asset published by or derived from Bloomberg page HP (or any successor ticker page) (setting Last Price, or any other successor setting and using values not adjusted for any event occurring after such dealing day; and for the avoidance of doubt, all values will be determined with all adjustment settings on the DPDF Page, or any successor or similar setting, switched off) in respect of such Ordinary Share, Security, Spin-Off Security, option, warrant or other right or asset (all as determined by the Calculation Agent) (and for the avoidance of doubt such Bloomberg page for the Ordinary Shares as at the Closing Date is NEXI IM Equity HP), if available or, in any other case, such other source (if any) as shall be determined in good faith to be appropriate by an Independent Adviser on such dealing day, provided that:

- (i) if on any such dealing day (for the purpose of this definition, the “**Original Date**”) such price is not available or cannot otherwise be determined as provided above, the Closing Price of an Ordinary Share, Security, Spin-Off Security option, warrant, or other right or asset, as the case may be, in respect of such dealing day shall be the Closing Price, determined by the Calculation Agent as provided above, on the immediately preceding dealing day in respect thereof on which the same can be so determined, provided however that if such immediately preceding dealing day falls prior to the fifth day before the Original Date, the Closing Price in respect of such dealing day shall be considered to be not capable of being determined pursuant to this proviso (i); and
- (ii) if the Closing Price cannot be determined as aforesaid, the Closing Price of an Ordinary Share, Security, Spin-Off Security option, warrant, or other right or asset, as the case may be, shall be determined as at the Original Date by an Independent Adviser in such manner as it shall determine in good faith to be appropriate,

and the Closing Price determined as aforesaid on or as at any dealing day shall, if not in the Relevant Currency, be translated into the Relevant Currency at the Prevailing Rate on such dealing day.

“**Consolidated EBITDA**” means, in respect of any Relevant Period, the consolidated profit of the Issuer and its Subsidiaries before taxation:

- (1) before deducting any Cash Interest Expense and any interest, commission, fees, discounts, prepayment fees, premiums or charges and other finance payments whether paid, payable or capitalised by any of the Issuer or its Subsidiaries (calculated on a consolidated basis) in respect of that Relevant Period;
- (2) not including any accrued interest owing to any of the Issuer or its Subsidiaries other than investment and interest income earned on any Settlement Assets;

- (3) after adding back any amount attributable to the amortisation, depreciation or impairment of assets of the Issuer or any of its Subsidiaries and taking no account of the reversal of any previous impairment charge made in that Relevant Period (including amortisation, depreciation or impairment of any goodwill arising on any acquisition not prohibited under these Conditions);
- (4) excluding any non-cash costs, expenses or provisions relating to any share options schemes or any management equity program of any of the Issuer or its Subsidiaries;
- (5) before taking into account any Exceptional Items;
- (6) before deducting any Transaction Costs;
- (7) after including the amount of any profit (or deducting any loss) of the Issuer or any of its Subsidiaries which is attributable to minority interests but after deducting the amount of any dividends or other profit distributions (net of any applicable withholding tax or gross-up obligation) paid in cash to any minority shareholders in respect of their minority interests in the Issuer or any of its Subsidiaries;
- (8) after deducting the amount of any profit (or adding back any loss) of any Non-Group Entity to the extent that the amount of the profit included in the financial statements of the Issuer and its Subsidiaries exceeds the amount actually received in cash by the Issuer or any of its Subsidiaries through distributions by the Non-Group Entity and after including the amount actually received in cash by the Issuer or any of its Subsidiaries through dividends or other profit distributions from any Non-Group Entity (grossed up for applicable withholding tax);
- (9) before taking into account any gains or losses (whether realised or unrealised and including those arising on translation of currency debt) or any cash receipts or any other payments on any Treasury Transaction entered into in relation to the Facilities Agreement or otherwise in connection with any purpose other than in the ordinary course of business but including amounts payable or receivable by the Issuer or any of its Subsidiaries under any Treasury Transactions in relation to operational items including the hedging effect of currency hedging related to operational items but excluding any Hedge Purchase and Termination Costs;
- (10) before taking into account any gain or loss arising from an upward or downward revaluation of any other asset at any time after 30 June 2019, and the amount of any loss or gain against book value arising on a disposal of any asset (other than stock disposed of in the ordinary course of business) during that Relevant Period;
- (11) before taking into account any fees or expenses paid (directly or indirectly) to the Issuer's shareholders, the agent under the Facilities Agreement, the Trustee or any agent or security agent in respect of any Indebtedness;
- (12) after adding any amounts claimed in respect of such Relevant Period under loss of profit, business interruption or equivalent insurance;
- (13) before taking into account any Pension Items;
- (14) excluding the charge to profit represented by the expensing of stock options and any expense referable to equity settled share-based compensation of employees or management or, profit sharing schemes, or compensation or payments to departing management; and

- (15) before deducting any fees, costs, charges or expenses related to any actual or attempted equity or debt offering, compensation payments to departing management, financing, investments (including any investment in a joint venture), acquisitions or incurrence of indebtedness (whether or not successful),

in each case, to the extent added, deducted or taken into account, as the case may be, for the purposes of determining profits of the Issuer and its Subsidiaries before taxation and so that no gain or profit from the purchase by the Issuer or its Subsidiaries at less than par value of any loans made to the Issuer or any of its Subsidiaries or any securities issued by the Issuer or any of its Subsidiaries will be included as a component of Consolidated EBITDA.

“**Consolidated Pro Forma EBITDA**” means for any Relevant Period the Consolidated EBITDA, adjusted to:

- (1) include the earnings before interest, tax, depreciation and amortisation (calculated on the same basis as Consolidated EBITDA, mutatis mutandis) for the Relevant Period of any person, property, business or material fixed asset acquired or joint venture entered into (each such person, property, business or asset acquired or joint venture entered into, an "**Acquired Entity or Business**");
- (2) include an adjustment in respect of each Acquired Entity or Business acquired during such period equal to or less than the amount of the Relevant Synergy Benefits with respect to such Acquired Entity or Business;
- (3) exclude any non-recurring costs and other expenses arising directly or indirectly as a consequence of the acquisition of such Acquired Entity or Business;
- (4) exclude the earnings before interest, tax, depreciation, amortisation and impairment charges (calculated on the same basis as Consolidated EBITDA, mutatis mutandis) for the Relevant Period of any person, property, business or material fixed asset sold, transferred or otherwise disposed of by, or the exit from a joint venture by, the Issuer or any of its Subsidiaries during such period (each such person, property, business or asset so sold, transferred or disposed of, or such exit from a joint venture, a "**Sold Entity or Business**");
- (5) include an adjustment in respect of each Sold Entity or Business sold, transferred or otherwise disposed of during such period equal to or less than the amount of the Relevant Synergy Benefits with respect to such Sold Entity or Business;
- (6) exclude any non-recurring costs and other expenses arising directly or indirectly as a consequence of the sale or disposal of such Sold Entity or Business;
- (7) include an adjustment in respect of each Group Initiative implemented or committed to be implemented during such period equal to or less than the amount of the Relevant Synergy Benefits for such period consequent on the implementation of such Group Initiative;
- (8) exclude any non-recurring costs and other expenses arising directly or indirectly as a consequence of the implementation of such Group Initiative;
- (9) include the results of any Subsidiary which has been contractually committed to be disposed of, but where such disposal (as at the end of the Relevant Period) has not yet been completed even if the contractual commitment to dispose of that Subsidiary would lead to it being treated as a current asset under IFRS;

- (10) during the period following the acquisition of or investment in an Acquired Entity or Business, sale, transfer or other disposal of a Sold Entity or Business or the implementation of a Group Initiative (and without prejudice to the synergies and cost savings actually realised and already included in Consolidated EBITDA), the Issuer shall be permitted (at its election) to adjust the definition of Consolidated Pro Forma EBITDA or any component thereof to take into account the pro forma increase in Consolidated EBITDA projected by the Issuer after taking into account the full run rate effect of all anticipated Relevant Synergy Benefits (as if the same had been realised on the first day of the Relevant Period) which the Issuer (as reasonably determined in good faith by a responsible financial or accounting officer of the Issuer) believes can be achieved as a result of combining the operations of such Acquired Entity or Business with the operations of the Issuer and its Subsidiaries, as a consequence of the sale, transfer or other disposal of such Sold Entity or Business or as a result of implementing such Group Initiative;
- (11) exclude all or any part of any expenditure or other negative item (and/or the impact thereof) directly or indirectly resulting from (i) any acquisition, disposal or investment or the impact from purchase price accounting and/or (ii) Group Initiative Costs; and
- (12) make such other adjustments as permitted under the Facilities Agreement so that Consolidated Pro Forma EBITDA under these Conditions is at no time less than Consolidated Pro Forma EBITDA as defined under the Facilities Agreement.

A certificate from an Authorised Signatory (as defined in the Trust Deed) of the Issuer as to the Consolidated Pro Forma EBITDA (or any component thereof) for any Relevant Period shall, in the absence of manifest error, be conclusive and binding on the Bondholders. The Trustee will be entitled to rely on any such certificate (without enquiry or liability to any person).

“**Contingent Obligations**” means, with respect to any person, any obligation of such person guaranteeing in any manner, whether directly or indirectly, any operating lease, dividend or other obligation that, in each case, does not constitute Indebtedness (“**primary obligations**”) of any other person (the “**primary obligor**”), including any obligation of such person, whether or not contingent:

- (1) to purchase any such primary obligation or any property constituting direct or indirect security therefor;
- (2) to advance or supply funds: (a) for the purchase or payment of any such primary obligation; or (b) to maintain the working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or
- (3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

“**Conversion Date**” has the meaning provided in Condition 6(h).

“**Conversion Notice**” has the meaning provided in Condition 6(h).

“**Conversion Period**” has the meaning provided in Condition 6(a).

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

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

“**Conversion Right Transfer**” has the meaning provided in Condition 6(m).

“**Current Market Price**” means, in respect of an Ordinary Share at a particular date, the arithmetic average of the daily Volume Weighted Average Price of an Ordinary Share on each of the five consecutive dealing days ending on the dealing day immediately preceding such date, as determined by the Calculation Agent, provided that:

- (a) for the purposes of determining the Current Market Price pursuant to Condition 6(b)(iv) or 6(b)(vi) in circumstances where the relevant event relates to an issue of Ordinary Shares, if at any time during the said five dealing-day period (which may be on each of such five dealing days) the Volume Weighted Average Price shall have been based on a price ex-Dividend (or ex- any other entitlement) and/or during some other part of that period (which may be on each of such five dealing days) the Volume Weighted Average Price shall have been based on a price cum-Dividend (or cum- any other entitlement), in any such case which has been declared or announced, then:
  - (i) if the Ordinary Shares to be so issued do not rank for the Dividend (or entitlement) in question, the Volume Weighted Average Price on the dates on which the Ordinary Shares shall have been based on a price cum-Dividend (or cum- any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such Dividend or entitlement per Ordinary Share as at the Ex-Date in respect of such Dividend or entitlement (or, where on each of the said five dealing days the Volume Weighted Average Price shall have been based on a price cum-Dividend (or cum-any other entitlement), as at the date of first public announcement of such Dividend or entitlement), in any such case, determined by the Calculation Agent on a gross basis and disregarding any withholding or deduction required to be made for or on account of tax, and disregarding any associated tax credit; or
  - (ii) if the Ordinary Shares to be so issued do rank for the Dividend or entitlement in question, the Volume Weighted Average Price on the dates on which the Ordinary Shares shall have been based on a price ex-Dividend (or ex- any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof increased by an amount equal to the Fair Market Value of any such Dividend or entitlement per Ordinary Share as at the Ex-Date in respect of such Dividend or entitlement, in any such case, determined by the Calculation Agent on a gross basis and disregarding any withholding or deduction required to be made for or on account of tax, and disregarding any associated tax credit;
- (b) for the purposes of any calculation or determination required to be made pursuant to paragraphs (a)(ii) or (a)(ii) of the definition of “Dividend”, if on any of the said five dealing days the Volume Weighted Average Price shall have been based on a price cum the relevant Dividend or capitalisation giving rise to the requirement to make such calculation or determination, the Volume Weighted Average Price on any such dealing day shall for the purposes of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of the relevant cash Dividend as at the Ex-Date in respect of such Dividend, as determined by the Calculation Agent on a gross basis and disregarding any withholding or deduction required to be made for or on account of tax, and disregarding any associated tax credit; and
- (c) for any other purpose, if any day during the said five-dealing-day period was the Ex-Date in relation to any Dividend (or any other entitlement) the Volume Weighted Average Prices that shall have been based on a price cum- such Dividend (or cum- such entitlement) shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such Dividend or entitlement per Ordinary Share as at the Ex-Date in respect of such Dividend or entitlement.

“**dealing day**” means a day on which the Relevant Stock Exchange is open for business and on which Ordinary Shares, Securities, Spin-Off Securities options, warrants or other rights or assets (as the case may be) may be dealt in (other than a day on which the Relevant Stock Exchange is scheduled to or does close prior to its regular weekday closing time), provided that, unless otherwise specified or the context otherwise requires, references to “dealing day” shall be a dealing day in respect of the Ordinary Shares.

“**Decree 239**” has the meaning provided in Condition 9.

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

(a) where:

- (1) a Dividend in cash is announced which may at the election of a Shareholder or Shareholders be satisfied by the issue or delivery of Ordinary Shares or other property or assets, or where an issue of Ordinary Shares or other property or assets to Shareholders by way of a capitalisation of profits or reserves (including any share premium account or capital redemption reserve) is announced which may at the election of a Shareholder or Shareholders be satisfied by the payment of cash, then the Dividend or capitalisation in question shall be treated as a cash Dividend of an amount equal to the greater of (i) the Fair Market Value of such cash amount and (ii) the Current Market Price of such Ordinary Shares or, as the case may be, the Fair Market Value of such other property or assets, in any such case as at the Ex-Date in respect of the relevant Dividend or capitalisation (or, if later, the Dividend Determination Date), save that where a Dividend in cash is announced which may at the election of a Shareholder or Shareholders be satisfied by the issue or delivery of Ordinary Shares or an issue of Ordinary Shares to Shareholders by way of capitalisation of profits or reserves is announced which may at the election of a Shareholder or Shareholders be satisfied by the payment of cash where the number of Ordinary Shares which may be issued or delivered is to be determined at a date or during a period following the last day on which such election can be made as aforesaid and is to be determined by reference to a publicly available formula based on the closing price or volume weighted average price or any like or similar pricing benchmark of the Ordinary Shares, without factoring in any discount or premium to such price or benchmark, then such Dividend shall be treated as a cash Dividend in an amount equal to the Fair Market Value of such cash amount on such date as such cash amount is determined as aforesaid; or
- (2) there shall (other than in circumstances subject to proviso (1) above) (x) be any issue of Ordinary Shares or other property or assets to Shareholders by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve) where such issue or delivery is or is expressed to be in lieu of a Dividend in cash (whether or not a cash Dividend equivalent amount is announced) or a Dividend in cash is announced that is to be satisfied by the issue or delivery of Ordinary Shares or other property or assets, or (y) any issue or delivery of Ordinary Shares or other property or assets by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve) that is to be satisfied by the payment of cash, then, in the case of (x) the capitalisation or Dividend in question shall be treated as a cash Dividend of an amount equal to the Current Market Price of such Ordinary Shares or, as the case may be, the Fair

Market Value of such other property or assets as at the Ex-Date in respect of the relevant capitalisation (or, if later, the Dividend Determination Date), and, in the case of (y), the capitalisation in question shall be treated as a cash Dividend of an amount equal to the Fair Market Value of such cash amount as at the Ex-Date in respect of the relevant capitalisation (or, if later, the Dividend Determination Date), save that where an issue of Ordinary Shares by way of capitalisation of profits or reserves is announced where such issue is or is expected to be in lieu of a Dividend in cash (in circumstances where the cash amount thereof is announced) or an issue of Ordinary Shares by way of capitalisation of profits or reserves is announced that is to be satisfied by the payment of cash where the number of Ordinary Shares to be issued or delivered or the amount of such payment of cash is to be determined at a date or during a period following such announcement and is to be determined by reference to a publicly available formula based on the closing price or volume weighted average price or any like or similar pricing benchmark of the Ordinary Shares, without factoring in any discount or premium to such price or benchmark, then such capitalisation shall be treated as a cash Dividend in an amount equal to the Fair Market Value of such cash amount on such date as such cash amount is announced or determined as aforesaid;

- (b) any issue of Ordinary Shares falling within Condition 6(b)(i) or 6(b)(ii) shall be disregarded;
- (c) (A) a purchase or redemption or buy back of share capital of the Issuer by or on behalf of the Issuer or any of its Subsidiaries pursuant to any general authority for such purchases, redemptions or buy backs approved by a general meeting of Shareholders and in accordance with the price limits specified in Article 3 of Commission Delegated Regulation (EU) 2016/1052 (or any successor regulation providing a safe harbour for share buybacks by an issuer under applicable market abuse rules) shall not constitute a Dividend and (B) any other purchase or redemption or buy back of share capital of the Issuer by or on behalf of the Issuer or any of its Subsidiaries shall not constitute a Dividend unless, in the case of a purchase or redemption or buy back of Ordinary Shares by or on behalf of the Issuer or any of its Subsidiaries, the weighted average price per Ordinary Share (before expenses) on any day (a “**Specified Share Day**”) in respect of such purchases or redemptions or buy backs (translated, if not in the Relevant Currency, into the Relevant Currency at the Prevailing Rate on such day) exceeds by more than 5 per cent. the Current Market Price of an Ordinary Share:
  - (1) on the Specified Share Day; or
  - (2) where an announcement (excluding, for the avoidance of doubt for these purposes, any general authority for such purchases, redemptions or buy backs approved by a general meeting of Shareholders or any notice convening such a meeting of Shareholders) has been made of the intention to purchase, redeem or buy back Ordinary Shares at some future date at a specified price or where a tender offer is made, on the date of such announcement or, as the case may be, on the date of first public announcement of such tender offer (and regardless of whether or not a price per Ordinary Share, a minimum price per Ordinary Share or a price range or a formula for the determination thereof is or is not announced at such time),

in which case such purchase, redemption or buy back shall be deemed to constitute a Dividend in the Relevant Currency in an amount equal to the amount by which the aggregate price paid (before expenses) in respect of such Ordinary Shares purchased, redeemed or bought back by or on behalf of the Issuer or, as the case may be, any of its Subsidiaries (translated where appropriate into the Relevant Currency as provided above) exceeds the product of (i) 105 per cent. of such Current Market Price and (ii) the number of Ordinary Shares so purchased, redeemed or bought back;



- (d) if the Issuer or any of its Subsidiaries (or any person on its or their behalf) shall purchase, redeem or buy back any depositary or other receipts or certificates representing Ordinary Shares, the provisions of paragraph (c) above shall be applied in respect thereof in such manner and with such modifications (if any) as shall be determined in good faith by an Independent Adviser;
- (e) where a dividend or distribution is paid or made to Shareholders pursuant to any plan or arrangement implemented by the Issuer for the purpose of enabling Shareholders to elect, or which may require Shareholders, to receive dividends or distributions in respect of the Ordinary Shares held by them from a person other than (or in addition to) the Issuer, such dividend or distribution shall for the purposes of these Conditions be treated as a dividend or distribution made or paid to Shareholders by the Issuer, and the foregoing provisions of this definition and the provisions of these Conditions shall be construed accordingly;
- (f) where a Dividend in cash is declared which provides for payment by the Issuer to Shareholders in the Relevant Currency or an amount in cash is or may be paid in the Relevant Currency, whether at the option of Shareholders or otherwise, it shall be treated as a cash Dividend in the amount of such Relevant Currency or, as the case may be, an amount in such Relevant Currency, and in any other case it shall be treated as a cash Dividend or, as the case may be, an amount in cash in the currency in which it is payable by the Issuer; and
- (g) a dividend or distribution that is a Spin-Off shall be deemed to be a Dividend paid or made by the Issuer, and any such determination shall be made in good faith by the Calculation Agent or, where specifically provided, an Independent Adviser and, in either such case, on a gross basis and disregarding any withholding or deduction required to be made for or on account of tax, and disregarding any associated tax credit.

**“Dividend Determination Date”** means, for the purposes of the definition of “Dividend”, the date on which the number of Ordinary Shares or, as the case may be, amount of other property or assets, which may be issued or delivered is, or is capable of being, determined, and where determined by reference to prices or values or the like on or during a particular day or during a particular period, the Dividend Determination Date shall be deemed to be such day or the last day of such period, as the case may be;

**“equity share capital”** means (other than for the purposes of Condition 6(b)(iii)), in relation to any entity, its issued share capital excluding any part of that capital which, neither as respects dividends nor as respects capital, carries any right to participate beyond a specific amount in a distribution.

**“Event of Default”** has the meaning provided in Condition 10.

**“Ex-Date”** means, in relation to any Dividend (including without limitation any Spin-Off), capitalisation, redesignation, reclassification, sub-division, consolidation, issue, grant, offer or other entitlement, unless otherwise defined herein, the first dealing day for the Ordinary Shares on which the Ordinary Shares are traded ex- the relevant Dividend, capitalisation, redesignation, reclassification, sub-division, consolidation, issue, grant, offer or other entitlement on the Relevant Stock Exchange (or, in the case of a Dividend which is a purchase, redemption or buy back of Ordinary Shares (or, as the case may be, any depositary or other receipts or certificates representing Ordinary Shares) pursuant to paragraph (c) (or, as the case may be, paragraph (d)) of the definition of “Dividend”, the date on which such purchase, redemption or buy back is made).

**“Exceptional Items”** means any items of an unusual, one-off or non-recurring, extraordinary or exceptional nature which represent gains or losses including those arising on:

- (1) the restructuring or other Group Initiative of the activities of an entity and reversals of any provisions for the cost of restructuring or other Group Initiative;

- (2) disposals, revaluations, write downs or impairment of non-current assets or any reversal of any write downs or impairment;
- (3) disposals of assets associated with discontinued operations or other Group Initiatives; and
- (4) the purchase by the Issuer or any of its Subsidiaries at less than par value of any loans made to the Issuer or any of its Subsidiaries or any securities issued by the Issuer or any of its Subsidiaries.

“**Exempt Newco Scheme**” means a Newco Scheme where, immediately after completion of the relevant reorganisation, the ordinary shares or units or equivalent of Newco (or depositary or other receipts or certificates representing ordinary shares or units or equivalent of Newco) are (1) admitted to trading on the Relevant Stock Exchange or a Regulated Market or (2) admitted to listing on such other regulated, regularly operating, recognised stock exchange in an OECD State as the Issuer or Newco may determine.

“**Extraordinary Dividend**” has the meaning provided in Condition 6(b)(iii)(B).

“**Extraordinary Resolution**” has the meaning provided in Condition 14(a).

“**Facilities Agreement**” means the IPO facilities agreement dated 20 March 2019, among, inter alios, Nexi S.p.A., as the company, the mandated lead arrangers and bookrunners, lead arrangers and co-arrangers listed therein, and Banca IMI S.p.A., as agent, as the same may be amended, supplemented or otherwise modified from time to time, including any ancillary facilities.

“**Fair Bond Value**” has the meaning provided in Condition 7(c).

“**Fair Bond Value Calculation Period**” has the meaning provided in Condition 7(c).

“**Fair Market Value**” means, on any date (the “**FMV Date**”):

- (i) in the case of a cash Dividend, the amount of such cash Dividend, as determined in good faith by the Calculation Agent;
- (ii) in the case of any other cash amount, the amount of such cash, as determined in good faith by the Calculation Agent;
- (iii) in the case of Securities (including Ordinary Shares), Spin-Off Securities, options, warrants or other rights or assets that are publicly traded on a Relevant Stock Exchange of adequate liquidity (as determined in good faith by the Calculation Agent or an Independent Adviser), the arithmetic mean of:
  - (a) in the case of Ordinary Shares or (to the extent constituting equity share capital) other Securities or Spin-Off Securities, for which a daily Volume Weighted Average Price (disregarding for this purpose proviso (ii) to the definition thereof) can be determined, such daily Volume Weighted Average Price of the Ordinary Shares or such other Securities or Spin-Off Securities; and
  - (b) in any other case, the Closing Price of such Securities, Spin-Off Securities, options, warrants or other rights or assets,

in the case of both (a) and (b) during the period of five dealing days on the Relevant Stock Exchange for such Securities, Spin-Off Securities, options, warrants or other rights or assets commencing on such FMV Date (or, if later, the date (the “**Adjusted FMV Date**”) which falls on the first such dealing day on which such Securities, Spin-Off Securities, options, warrants or other rights or assets are publicly traded, provided that where such Adjusted FMV Date falls after the fifth day following the FMV Date, the Fair Market Value of such Securities, Spin-Off Securities, options, warrants or other rights or assets shall instead be determined pursuant to paragraph (iv) below, and no such Adjusted FMV Date shall be

deemed to apply) or such shorter period as such Securities, Spin-Off Securities, options, warrants or other rights or assets are publicly traded, all as determined in good faith by the Calculation Agent,

- (iv) in the case of Securities, Spin-Off Securities, options, warrants or other rights or assets that are not publicly traded on a Relevant Stock Exchange of adequate liquidity (as aforesaid) or where otherwise provided in paragraph (iii) above to be determined pursuant to this (iv), an amount equal to the fair market value of such Securities, Spin-Off Securities, options, warrants or other rights or assets as determined in good faith by an Independent Adviser, on the basis of a commonly accepted market valuation method and taking account of such factors as it considers appropriate, including the market price per Ordinary Share, the dividend yield of an Ordinary Share, the volatility of such market price, prevailing interest rates and the terms of such Securities, Spin-Off Securities, options, warrants or other rights or assets, and including as to the expiry date and exercise price or the like (if any) thereof.

Such amounts shall (if not expressed in the Relevant Currency on the FMV Date (or, as the case may be, the Adjusted FMV Date)) be translated into the Relevant Currency at the Prevailing Rate on the FMV Date (or, as the case may be, the Adjusted FMV Date), all as determined in good faith by the Calculation Agent.

In addition, in the case of (i) and (ii) above, the Fair Market Value shall be determined on a gross basis and disregarding any withholding or deduction required to be made for or on account of tax, and disregarding any associated tax credit.

“**First Call Date**” has the meaning provided in Condition 6(b)(i).

“**Free Float**” means all issued and outstanding Ordinary Shares less the aggregate of those Ordinary Shares held directly or indirectly by any Permitted Holder or by any other person or persons acting in concert (or persons who have entered into shareholders’ agreements or lock-up agreements concerning the Ordinary Shares with a duration of more than six months) holding more than 5 per cent. of the issued and outstanding Ordinary Shares (other than, in each case, Ordinary Shares held by any collective investment undertakings, pension funds and social security institutions) (and, for these purposes, references to Ordinary Shares shall include Ordinary Shares represented by outstanding depositary receipts or certificates representing Ordinary Shares).

A “**Free Float Event**” shall be deemed to have occurred if on each dealing day in any period of not less than 30 consecutive dealing days the Free Float is equal to or less than 25 per cent. of the issued and outstanding Ordinary Shares (including Ordinary Shares represented by outstanding depositary receipts or certificates representing Ordinary Shares) and for this purpose Ordinary Shares held by or on behalf of the Issuer or any of its Subsidiaries shall be treated as not “issued and outstanding”.

“**Further Bonds**” means any further Bonds issued pursuant to Condition 18 and consolidated and forming a single series with the then outstanding Bonds.

“**Further Restricted Period**” has the meaning provided in Condition 6(a).

“**Group Initiative**” means any restructuring, reorganisation or cost saving or other similar initiative.

“**Group Initiative Costs**” means costs, expenses or losses relating to any Group Initiative.

“**Hedge Purchase and Termination Cost**” means any one-off or non-recurring cash payments, premia, fees, costs or expenses in connection with the purchase of a Treasury Transaction or which arise upon maturity, close-out or termination of any Treasury Transaction.

“**Hedging Obligations**” means, with respect to any specified person, the obligations of such person under: (1) interest rate swap agreements (whether from fixed to floating or from floating to fixed), interest rate cap agreements and interest rate collar agreements; and (2) other similar agreements or arrangements designed to enable such person to manage fluctuations in interest rates.

“**Holding Company**” means, in respect of any corporate entity, any entity in respect of which it is a Subsidiary.

“**IFRS**” means International Financial Reporting Standards as adopted by the European Union, International Financial Reporting Interpretations Committee as in effect as of the Closing Date; provided, however, that all reports and other financial information provided by the Issuer to the holders and/or the Trustee shall be prepared in accordance with IFRS as in effect on the date of such report or other financial information. All computations based on IFRS contained in these Conditions, the Agency Agreement and the Trust Deed will be computed in conformity with IFRS.

“**Indebtedness**” means, with respect to any specified person, any indebtedness of such person, whether or not contingent, in respect of:

- (1) borrowed money;
- (2) any amount raised by acceptance under any acceptance credit or bill discounting facility or dematerialised equivalent (other than to the extent the same is discounted or factored on a non-recourse basis or where recourse is limited to customary warranties and indemnities);
- (3) bonds, notes, debentures or similar instruments or bankers' acceptances, letters of credit or similar instruments (or reimbursement agreements in respect thereof), excluding, in each case, any Trade Instruments;
- (4) receivables sold or discounted (other than any receivables to the extent they are sold or discounted on a non-recourse basis or where recourse is limited to customary warranties and indemnities) and only to the extent of any recourse;
- (5) any Treasury Transaction (and, when calculating the value of any Treasury Transaction, only the marked to market net value (or, if any actual amount is due as a result of the termination or close-out of that Treasury Transaction, that amount) shall be taken into account) and Hedging Obligations;
- (6) amounts raised by any issue of shares which are expressed to be redeemable mandatorily or at the option of the holder prior to the Maturity Date or which are otherwise classified as borrowings under IFRS;
- (7) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of an underlying liability (excluding any Trade Instruments) of an entity which is not a Subsidiary which liability would fall within one of the other paragraphs of this definition;
- (8) any amount of any liability under an advance or deferred purchase agreement if: (i) one of the primary reasons behind the entry into the agreement is to raise finance or to finance the acquisition or construction of the asset or service in question and (ii) the agreement is in respect of the supply of assets or services and payment is due from the Issuer or a Subsidiary of the Issuer more than six months after the date of supply to it, or is due to the Issuer or a Subsidiary of the Issuer more than six months before the date of supply to it; provided that such amounts will not constitute Indebtedness where the amount results from the delayed or non-satisfaction of contract terms by the supplier, from a dispute carried out in good faith or from contract terms establishing payment schedules tied to total or partial contract completion and/or the results of operational testing procedures and, for the avoidance of doubt, excluding earn outs and other contingent consideration arrangements; or
- (9) any amounts raised under any other transaction (including any forward sale or purchase agreement) required to be accounted for as a borrowing under IFRS excluding, in each case, any Trade Instruments, if and to the extent any of the preceding items (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet of the specified person prepared in accordance with IFRS. In addition, the term "Indebtedness" includes all Indebtedness of others secured by a Lien on any

asset of the specified person (whether or not such Indebtedness is assumed by the specified person) and, to the extent not otherwise included, the guarantee by the specified person of any Indebtedness of any other person. Notwithstanding the foregoing and for the avoidance of doubt, the term "Indebtedness" shall not include: (1) any Lease Obligations and any guarantee given by the Issuer or any of its Subsidiaries in the ordinary course of business solely in connection with, and in respect of, the obligations of the Issuer or any of its Subsidiaries under any operating lease; (2) Contingent Obligations in the ordinary course of business; (3) in connection with the purchase by the Issuer or any of its Subsidiaries of any business, any post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing; (4) all pension-related and post-employment obligations or liabilities, intra-day exposures; (5) in respect of Trade Instruments; (6) any Settlement Debt, Settlement Liabilities and in respect of Settlement Obligations; (7) any Contingent Obligations in respect of workers' compensation claims, early retirement or termination obligations, pension fund obligations or contributions or similar claims, obligations or contributions or social security or wage taxes; (8) obligations in respect of any license, permit or other approval arising in the ordinary course of business; and (9) uncashed cheques issued by the Issuer or a Subsidiary of the Issuer in the ordinary course of business.

The amount of any Indebtedness outstanding as of any date shall be:

- (1) the accreted value thereof, in the case of any Indebtedness issued with original issue discount; and
- (2) the principal amount thereof in the case of any other Indebtedness.

**"Independent Adviser"** means an independent adviser with appropriate expertise, which may be the Calculation Agent (acting in such Independent Adviser capacity as may be agreed between the Issuer and the Calculation Agent), appointed by the Issuer at its own expense and (other than where the initial Calculation Agent is appointed) approved in writing by the Trustee or, if the Issuer fails or is unable to make such appointment and such failure or inability continues for a period of 30 days and the Trustee is indemnified and/or secured and/or prefunded to its satisfaction against the liabilities, costs, fees and expenses of such adviser and otherwise in connection with such appointment, as may be appointed by the Trustee (without liability for so doing) following notification to the Issuer, which appointment shall be deemed to be made by the Issuer.

**"Interest Payment Date"** has the meaning provided in Condition 5(a).

**"Interest Period"** has the meaning provided in Condition 5(a).

**"Italian Stock Exchange"** means the Mercato Telematico Azionario organised and managed by Borsa Italiana S.p.A.

**"Lease Obligation"** means, at the time any determination thereof is to be made, the amount of the liability in respect of a capital lease that would at that time be required to be capitalised on a balance sheet in accordance with IFRS.

**"Lien"** means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement.

**"Long-Stop Date"** means 31 December 2020.

**"Market Price"** means the Volume Weighted Average Price of an Ordinary Share on the relevant Reference Date, translated, if not in euro, into euro at the Prevailing Rate on the Reference Date, provided that if any Dividend or other entitlement in respect of the Ordinary Shares is announced, whether on or prior to or after the relevant Settlement Date in circumstances where the record date or other due date for the establishment of

entitlement in respect of such Dividend or other entitlement shall be on or after the Settlement Date and if, on the relevant Reference Date, the Volume Weighted Average Price of an Ordinary Share is based on a price ex-such Dividend or ex-such other entitlement, then such Volume Weighted Average Price shall be increased by an amount equal to the Fair Market Value (translated, if not in euro, into euro at the Prevailing Rate on the relevant Reference Date) of such Dividend or other entitlement per Ordinary Share as at the date of the first public announcement of the amount and/or terms of such Dividend or other entitlement (or if that is not a dealing day, the immediately preceding dealing day), as determined in good faith by the Calculation Agent on a gross basis and disregarding any withholding or deduction required to be made for or on account of tax, and disregarding any associated tax credit and provided that, for the avoidance of doubt, there shall be no double-counting in respect of any Dividend or entitlement.

**“Material Subsidiary”** means any Subsidiary that would be a "significant subsidiary" as defined in Article 1, Rule 1-02 of Regulation S-X, promulgated pursuant to the United States Securities Act of 1933, as amended, as such Regulation is in effect on the date hereof (which, as of the Closing Date, comprised of the following: Mercury Payment Services S.p.A. and Nexi Payments S.p.A.

A certificate from an Authorised Signatory of the Issuer that, in their opinion, a Subsidiary of the Issuer is or is not or was or was not at any particular time a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on the Bondholders. The Trustee will be entitled to rely on any such certificate (without enquiry or liability to any person).

**“Maturity Date”** means 24 April 2027.

**“Newco Scheme”** means a Scheme of Arrangement which effects the interposition of a limited liability company (**“Newco”**) between the Shareholders immediately prior to completion of the Scheme of Arrangement (the **“Existing Shareholders”**) and the Issuer, provided that (i) only ordinary shares or units or equivalent of Newco or depositary or other receipts or certificates representing ordinary shares or units or equivalent of Newco are issued to Existing Shareholders (except for a nominal holding by initial subscribers); (ii) immediately upon completion of the Scheme of Arrangement, the only shareholders of Newco or, as the case may be, the only holders of depositary or other receipts or certificates representing ordinary shares or units or equivalent of Newco are Existing Shareholders holding in substantially the same proportions as immediately prior to completion of the Scheme of Arrangement; (iii) immediately after completion of the Scheme of Arrangement, Newco is (or one or more wholly-owned Subsidiaries of Newco are) the only shareholder (or shareholders) of the Issuer; (iv) all Subsidiaries of the Issuer immediately prior to the Scheme of Arrangement (other than Newco, if Newco is then a Subsidiary of the Issuer) are Subsidiaries of the Issuer (or of Newco) immediately after completion of the Scheme of Arrangement; and (v) immediately after completion of the Scheme of Arrangement the Issuer (or Newco) holds, directly or indirectly, the same percentage of the ordinary share capital and equity share capital of those Subsidiaries as was held by the Issuer immediately prior to the Scheme of Arrangement.

**“Newco Scheme Modification”** has the meaning provided in Condition 14(a).

**“Non-Group Entity”** means any investment or entity (which is not itself the Issuer or any of its Subsidiaries (including associates and joint ventures)) in which the Issuer or any of its Subsidiaries has an ownership interest.

**“OECD State”** means a member state of the Organization for Economic Cooperation and Development.

**“Offer Period”** has the meaning provided in Condition 7(e).

**“Optional Redemption Date”** has the meaning provided in Condition 7(b).

**“Optional Redemption Notice”** has the meaning provided in Condition 7(b).

“**Ordinary Shares**” means fully paid ordinary shares in the capital of the Issuer without, on the Closing Date, explicit par value and an ISIN of IT0005366767 and shall include any such ordinary shares held in treasury by the Issuer.

“**Parity Value**” means, in respect of any dealing day, the amount determined in good faith by the Calculation Agent and calculated as follows:

$$PV = N \times VWAP$$

where

$$PV = \text{the Parity Value}$$

$N =$  €100,000 divided by the Conversion Price in effect on such dealing day, (which shall be the Change of Control Conversion Price if such Change of Control Conversion Price would apply in respect of any exercise of Conversion Rights in respect of which the Conversion Date would fall on such dealing day,) provided that if (A) such dealing day falls on or after (i) the Ex-Date in relation to any entitlement in respect of which an adjustment is required to be made to the Conversion Price pursuant to Conditions 6(b)(i), 6(b)(ii), 6(b)(iii), 6(b)(iv), 6(b)(v) or 6(b)(ix) or (ii) the relevant date of first public announcement (as applicable pursuant to Conditions 6(b)(vi), 6(b)(vii) or 6(b)(viii)) in respect of which an adjustment is required to be made to the Conversion Price pursuant to Conditions 6(b)(vi), 6(b)(vii) or 6(b)(viii), and (B) such adjustment is not yet in effect on such dealing day, the Conversion Price in effect on such dealing day shall for the purpose of this definition only be multiplied by the adjustment factor subsequently determined by the Calculation Agent to be applicable in respect of the relevant Conversion Price adjustment.

$VWAP =$  the Volume Weighted Average Price of an Ordinary Share (translated if necessary into euro at the Prevailing Rate) on such dealing day.

“**Pension Items**” means any income or charge attributable to a post-employment benefit scheme other than the current cash service costs.

“**Permitted Merger**” has the meaning provided in Condition 6(m).

“**Permitted Holders**” means any of Mercury UK Holdco Limited and any of its Affiliates or any Holding Company of Mercury UK Holdco Limited or any of its Affiliates.

a “**person**” includes any individual, company, corporation, firm, partnership, joint venture, trust, undertaking, association, organisation, or state or agency of a state or any political subdivisions thereof (in each case whether or not being a separate legal entity).

“**Physical Settlement Date**” means the date specified as such in any Physical Settlement Notice and which shall be not earlier than 10 nor later than 20 dealing days after the date on which the Physical Settlement Notice is given.

“**Physical Settlement Notice**” has the meaning provided in Condition 6(a).

“**Potential Event of Default**” means an event or circumstance which would, with the giving of notice, lapse of time, issue of a certificate and/or fulfilment of any other requirement provided for in Condition 10, become an Event of Default.

**“Prevailing Rate”** means, in respect of any pair of currencies on any day, the spot mid-rate of exchange between the relevant currencies prevailing as at 12 noon (London time) on that date (for the purpose of this definition, the **“Original Date”**) as appearing on or derived from Bloomberg page BFIX (or any successor page) in respect of such pair of currencies, or, if such a rate cannot be so determined, the rate prevailing as at 12 noon (London time) on the immediately preceding day on which such rate can be so determined, provided that if such immediately preceding day falls earlier than the fifth day prior to the Original Date or if such rate cannot be so determined (all as determined in good faith by the Calculation Agent), the Prevailing Rate in respect of the Original Date shall be the rate determined in such other manner as an Independent Adviser shall consider appropriate.

**“Put Date”** has the meaning provided in Condition 7(f).

**“Put Exercise Notice”** has the meaning provided in Condition 7(f).

**“Record Date”** has the meaning provided in Condition 8(c).

**“Reference Date”** means, in relation to a Retroactive Adjustment, the date as of which the relevant Retroactive Adjustment takes effect or, in any such case, if that is not a dealing day, the next following dealing day.

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

**“Register”** has the meaning provided in Condition 4(a).

**“Regulated Market”** means the regulated market of the Italian Stock Exchange or a market as defined by Article 4.1 (21) of Directive 2014/65/EU (as amended) of the European Parliament and of the Council on markets in financial instruments.

**“Relevant Currency”** means, at any time, the currency in which the Ordinary Shares are quoted or dealt in at such time on the Relevant Stock Exchange.

**“Relevant Date”** means, in respect of any Bond, whichever is the later of:

- (i) the date on which payment in respect of it first becomes due; and
- (ii) if any amount payable is improperly withheld or refused, the earlier of (a) the date on which payment in full of the amount outstanding is made and (b) the date falling seven days after the date on which the Trustee or the Principal Paying, Transfer and Conversion Agent has given notice to Bondholders of receipt of all sums due in respect to all the Bonds up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders) as provided in these Conditions.

**“Relevant Event”** means (a) a Change of Control or (b) a Free Float Event.

**“Relevant Event Notice”** has the meaning provided in Condition 6(g).

**“Relevant Event Period”** means the period commencing on the occurrence of a Relevant Event and ending 60 days following the Relevant Event or, if later, 60 days following the date on which a Relevant Event Notice is given to Bondholders as required by Condition 6(g).



“**Relevant Indebtedness**” means any present or future indebtedness (whether being principal, interest or other amounts), in the form of or evidenced or represented by notes, bonds, debentures, loan stock or other similar debt instruments, which are, or are capable of being, quoted, listed or ordinarily dealt in or traded on any regulated or unregulated stock exchange, over-the-counter or other securities market (including, for the avoidance of doubt, securities markets located outside the European Union and the Issuer’s Senior Notes due 2024).

“**Relevant Period**” means each period of twelve months ending on or about the most recent date for which internal consolidated financial statements of the Issuer are available.

“**Relevant Stock Exchange**” means:

- (i) in respect of the Ordinary Shares, the Italian Stock Exchange or, if at the relevant time the Ordinary Shares are not at that time listed and admitted to trading on the Italian Stock Exchange, the principal stock exchange or securities market on which the Ordinary Shares are then listed, admitted to trading or quoted or dealt in, and
- (ii) in respect of any Securities (other than Ordinary Shares), Spin-Off Securities, options, warrants or other rights or assets, the principal stock exchange or securities market on which such Securities, Spin-Off Securities, options, warrants or other rights or assets are then listed, admitted to trading or quoted or dealt in,

where “**principal stock exchange or securities market**” shall mean the stock exchange or securities market on which such Ordinary Shares, Securities, Spin-Off Securities, options, warrants or other rights or assets are listed, admitted to trading or quoted or dealt in, provided that if such Ordinary Shares, Securities, Spin-Off Securities, options, warrants or other rights or assets are listed, admitted to trading or quoted or dealt in (as the case may be) on more than one stock exchange or securities market at the relevant time, then “**principal stock exchange or securities market**” shall mean that stock exchange or securities market on which such Ordinary Shares, Securities, Spin-Off Securities, options, warrants or other rights or assets are then traded as determined by the Calculation Agent (if the Calculation Agent determines that it is able to make such determination) or (in any other case) by an Independent Adviser by reference to the stock exchange or securities market with the highest average daily trading volume in respect of such Ordinary Shares, Securities, Spin-Off Securities, options, warrants or other rights or assets.

“**Relevant Synergy Benefits**” means the pro forma synergies and cost savings which the Issuer (as determined by a responsible financial or accounting officer of the Issuer in good faith) believes can be obtained following the completion of such acquisition, investment, sale, transfer, disposal or implementation as a result of combining the operations of such Acquired Entity or Business with the operations of the Issuer or any of its Subsidiaries, as a consequence of the sale, transfer or other disposal of such Sold Entity or Business or as a result of implementing such Group Initiative.

“**Restricted Period**” has the meaning provided in Condition 6(a).

A “**Retroactive Adjustment**” shall occur if the Conversion Date in relation to the conversion of any Bond shall be (i) after the date (the “**RA Reference Date**”) which is the record date in respect of any consolidation, reclassification, redesignation or sub-division as is mentioned in Condition 6(b)(i), or which is the record date or other due date for the establishment of entitlement for any such issue, distribution, grant or offer (as the case may be) as is mentioned in Condition 6(b)(ii), 6(b)(iii), 6(b)(iv), 6(b)(v) or 6(b)(ix), or which is the date of the first public announcement of the terms of any such issue or grant as is mentioned in Condition 6(b)(vi) and 6(b)(vii) or of the terms of any such modification as is mentioned in Condition 6(b)(viii); and (ii) before the relevant adjustment to the Conversion Price becomes effective under Condition 6(b).

“**Scheme of Arrangement**” means a scheme of arrangement, share for share exchange or analogous procedure.

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

“**Senior Notes due 2024**” means the 1.75 per cent. Senior Notes due 2024 issued by the Issuer on 21 October 2019 (ISIN: XS2066703989).

“**Segregated Accounts**” means a segregated, safeguarding or other similar account established by the Issuer or any of its Subsidiaries (or on its behalf) from time to time into which merchants' monies are paid pending payment on to the relevant merchants in accordance with the Payment Services Directive (PSD2, 2015/2366/EC) or any relevant local implementing regulation or regulations made pursuant thereto.

“**Settlement**” means the transfer of cash or other property with respect to any credit card, charge card, stored-value card or debit charge card or other instrument, electronic funds transfer, or other type of paper-based or electronic payment, transfer or charge transaction for which a person acts as issuer, acquirer, processor, remitter, funds recipient, funds transmitter or funds receiver in the ordinary course of its business.

“**Settlement Assets**” means in the case of each of the Issuer or any of its Subsidiaries:

- (a) any amounts owed to the Issuer or any of its Subsidiaries from cardholders of any Card Scheme after taking into account write downs for anticipated doubtful debts;
- (b) any amounts due from a Card Scheme, bank, financial institution or other similar entity or person under Settlement Contracts; and
- (c) any Settlement Cash Balances.

“**Settlement Cash Balances**” means, in the case of each of the Issuer or any of its Subsidiaries, cash in hand or credited to any account with a bank, financial institution or other similar entity and which has been received from a Card Scheme, merchant or cardholder of a Card Scheme or a bank, financial institution or other similar entity or person under Settlement Contracts and is held by or on behalf of the Issuer or any of its Subsidiaries (including, without limitation, in Segregated Accounts) or by a person who has entered into a sponsorship agreement with the Issuer or any of its Subsidiaries and is holding such cash on such Issuer's or any of its Subsidiaries' behalf, in each case, for onward payment to Card Schemes, merchants, cardholders, banks, financial institutions or other similar entities or persons.

“**Settlement Contracts**” means, in the case of each of the Issuer or any of its Subsidiaries, contracts entered into between the Issuer or any of its Subsidiaries and (a) merchants or other parties who may refer or introduce merchants for the provision of point of sale, e-commerce gateway, merchant acquiring or related payment processing services (or a combination of such services) or (b) Card Schemes, cardholders, banks, financial institutions or other similar entities or persons for the provision of issuer services/processing activities or related issuer services/processing activities (or a combination of such services).

“**Settlement Debt**” means any indebtedness of the Issuer or any of its Subsidiaries (including, without limitation, any intra-day or clearing facility) which together with Settlement Assets are used directly or indirectly to pay Settlement Liabilities.

“**Settlement Date**” has the meaning provided in Condition 6(h).

“**Settlement Liabilities**” means in the case of each of the Issuer or any of its Subsidiaries:

- (a) any amounts due from the Issuer or any of its Subsidiaries to cardholders of any Card Scheme who have deposited amounts with the Issuer or any of its Subsidiaries for lunch vouchers, prepaid cards or other similar card schemes; and

(b) any Settlement Payables.

“**Settlement Notice**” has the meaning provided in Condition 6(h).

“**Settlement Obligations**” means any short-term payment or reimbursement obligation in respect of a Settlement Payment or Settlement Receivable and other financings or liabilities due to banks or customers, in each case of the type incurred in the ordinary course of business by the Issuer and its Subsidiaries, including under any facility in respect thereof.

“**Settlement Payables**” means, in the case of each of the Issuer or any of its Subsidiaries, the amounts payable to a Card Scheme, merchant, cardholder of a Card Scheme, bank, financial institution or other similar entities or persons under Settlement Contracts in respect of transactions which have been notified to such Issuer or such of its Subsidiaries including amounts held as deferred settlement or withheld for any other reason from such merchants, Card Schemes, cardholders, banks, financial institutions or other similar entities or persons.

“**Settlement Payment**” means the transfer, or contractual undertaking (including by automated clearing house transaction) to effect a transfer of cash or other property to effect a Settlement.

“**Settlement Period**” has the meaning provided in Condition 6(a).

“**Settlement Receivable**” means any general intangible, payment intangible, or instrument representing or reflecting an obligation to make payments to or for the benefit of a person in consideration for and in the amount of a Settlement made or arranged, or to be made or arranged, by such person.

“**Settlement Right**” has the meaning provided in Condition 6(a).

“**Shareholder Event Notice**” has the meaning provided in Condition 7(c).

“**Shareholder Event Notice Deadline**” has the meaning provided in Condition 7(c).

“**Shareholder Event Redemption Date**” has the meaning provided in Condition 7(c).

“**Shareholder Resolutions**” has the meaning provided in Condition 7(c).

“**Shareholders**” means the holders of Ordinary Shares.

“**Specified Date**” has the meaning provided in Conditions 6(b)(vi), 6(b)(vii) and 6(b)(viii).

“**Specified Taxes**” has the meaning provided in Condition 6(h).

“**Spin-Off**” means:

- (a) a distribution of Spin-Off Securities by the Issuer to Shareholders as a class; or
- (b) any issue, transfer or delivery of any property or assets (including cash or shares or other securities of or in or issued or allotted) by any entity (other than the Issuer) to Shareholders as a class or, in the case of or in connection with a Scheme of Arrangement, Existing Shareholders as a class (but excluding the issue and allotment of ordinary shares (or depositary or other receipts or certificates representing such ordinary shares) by Newco to Existing Shareholders as a class), pursuant in each case to any arrangements with the Issuer or any of its Subsidiaries.

“**Spin-Off Securities**” means equity share capital of an entity other than the Issuer or options, warrants or other rights to subscribe for or purchase equity share capital of an entity other than the Issuer, including, without limitation, securities issued upon a de-merger of the Issuer in accordance with Article 2506 and ff. of the Italian Civil Code.

“**Subsidiary**” means an entity of which a person has a direct or indirect control and control for this purpose means the power to direct the management of the entity whether through the ownership of voting capital, by contract or otherwise and which is consolidated in that person’s financial statements.

“**Successor in Business**” has the meaning provided in Condition 6(m).

“**TARGET Business Day**” means a day (other than a Saturday or Sunday) on which the TARGET System is operating.

“**TARGET System**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) system which was launched on 19 November 2007 or any successor thereto.

“**Tax Redemption Date**” has the meaning provided in Condition 7(d).

“**Tax Redemption Notice**” has the meaning provided in Condition 7(d).

“**Trade Instruments**” means any performance bonds, advance payment bonds, letters of credit, bankers' acceptances or similar instruments issued in respect of the obligations of the Issuer or any of its Subsidiaries arising in the ordinary course of business.

“**Transaction Costs**” means all fees, commission, costs and expenses, stamp, registration and other taxes incurred (or required to be paid) by the Issuer or any of its Subsidiaries in connection with the listing of the Bonds, any acquisition, disposal, investment or other Group Initiative not prohibited under these Conditions or the Trust Deed or any amendments to the Facilities Agreement and, in each case, the negotiation, preparation, execution, notarisation and registration of all related documentation.

“**Treasury Transactions**” means any hedging, derivative or other financial instrument or transaction entered into in connection with the protection against or benefit from fluctuation in any rate or price.

“**Volume Weighted Average Price**” means, in respect of an Ordinary Share, Security or, as the case may be, a Spin-Off Security, on any dealing day, the volume weighted average price on such dealing day on the Relevant Stock Exchange of an Ordinary Share, Security or, as the case may be, a Spin-Off Security, as published by or derived from Bloomberg page HP (or any successor page) (setting Weighted Average Line or any other successor setting and using values not adjusted for any event occurring after such dealing day; and for the avoidance of doubt, all values will be determined with all adjustment settings on the DPDF Page, or any successor or similar setting, switched off) in respect of such Ordinary Share, Security, or, as the case may be, Spin-Off Security (and for the avoidance of doubt such Bloomberg page for the Ordinary Shares as at the Closing Date is NEXI IM Equity HP) if any or, in any such case, such other source (if any) as shall be determined in good faith to be appropriate by an Independent Adviser on such dealing day provided that:

- (i) if on any such dealing day (for the purposes of this definition, the “**Original Date**”) such price is not available or cannot otherwise be determined as provided above, the Volume Weighted Average Price of an Ordinary Share, Security or Spin-Off Security, as the case may be, in respect of such dealing day shall be the Volume Weighted Average Price, determined as provided above, on the immediately preceding dealing day on which the same can be so determined, provided however that if such immediately preceding dealing day falls prior to the fifth day before the Original Date, the Volume Weighted Average Price in respect of such dealing day shall be considered to be not capable of being determined pursuant to this proviso (i); and
- (ii) if the Volume Weighted Average Price cannot be determined as aforesaid, the Volume Weighted Average Price of an Ordinary Share, Security or Spin-Off Security, as the case may be, shall be determined as at the Original Date by an Independent Adviser in such manner as it shall determine in good faith to be appropriate,

and the Volume Weighted Average Price determined as aforesaid on or as at any dealing day shall, if not in the Relevant Currency, be translated into the Relevant Currency at the Prevailing Rate on such dealing day.

“**Voting Rights**” means in relation to any entity the right generally to vote at a general meeting of shareholders of such entity (irrespective of whether or not, at the time, stock of any other class or classes shall have, or might have, voting power by reason of the happening of any contingency).

“€” and “**euro**” means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended.

References to any act or statute or any provision of any act or statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under such modification or re-enactment.

References to any issue or offer or grant to Shareholders or Existing Shareholders “**as a class**” or “**by way of rights**” shall be taken to be references to an issue or offer or grant to all or substantially all Shareholders or Existing Shareholders, as the case may be, other than Shareholders or Existing Shareholders, as the case may be, to whom, by reason of the laws of any territory or requirements of any recognised regulatory body or any other stock exchange or securities market in any territory or in connection with fractional entitlements, it is determined not to make such issue or offer or grant.

In making any calculation or determination of Closing Price, Current Market Price or Volume Weighted Average Price, such adjustments (if any) shall be made in good faith and as the Calculation Agent or an Independent Adviser considers appropriate to reflect any consolidation or sub-division of the Ordinary Shares or any issue of Ordinary Shares by way of capitalisation of profits or reserves, or any like or similar event.

For the purposes of Conditions 6 (a), (b), (c), (e), (h) and (i) and Condition 11 only, (i) references to the “**issue**” of Ordinary Shares or Ordinary Shares being “**issued**” shall include the transfer and/or delivery of Ordinary Shares, whether newly issued and allotted or previously existing or held by or on behalf of the Issuer or any of its Subsidiaries, and (i) Ordinary Shares held by or on behalf of the Issuer or any of its Subsidiaries (and which, in the case of Condition 6(b)(iv), do not rank for the relevant right or other entitlement) shall not be considered as or treated as “**in issue**” or “**issued**”, or entitled to receive the relevant Dividend, right or other entitlement.

#### 4 **Registration and Transfer of Bonds**

##### (a) *Registration*

The Issuer will cause a register (the “**Register**”) to be kept at the specified office of the Registrar outside the United Kingdom on which will be entered the names and addresses of the holders of the Bonds and the particulars of the Bonds held by them and of all transfers, redemptions and conversions of Bonds.

##### (b) *Transfer*

Bonds may, subject to the terms of the Agency Agreement and to Conditions 4(c) and 4(d), be transferred in whole or in part (but always in an Authorised Denomination) by lodging the relevant Bond (with the form of application for transfer in respect thereof duly executed and duly stamped where applicable) at the specified office of the Registrar or any Paying, Transfer and Conversion Agent.

No transfer of a Bond will be valid unless and until entered on the Register. A Bond may be registered only in the name of, and transferred only to, a named person (or persons, not exceeding four in number).

The Registrar will within seven business days, in the place of the specified office of the Registrar, of any duly made application for the transfer of a Bond, register the relevant transfer and deliver a new Bond to the transferee (and, in the case of a transfer of part only of a Bond, deliver a Bond for the untransferred

balance to the transferor) at the specified office of the Registrar or (at the risk and, if mailed at the request of the transferee or, as the case may be, the transferor otherwise than by ordinary mail, at the expense of the transferee or, as the case may be, the transferor) mail the Bond by uninsured mail to such address as the transferee or, as the case may be, the transferor may request.

(c) *Formalities Free of Charge*

Such transfer will be effected without charge subject to (i) the person making such application for transfer paying or procuring the payment of any taxes, duties and other governmental charges in connection therewith, (ii) the Registrar being satisfied with the documents of title and/or identity of the person making the application and (iii) such reasonable regulations as the Issuer may from time to time agree with the Registrar (and as initially set out in the Agency Agreement).

(d) *Closed Periods*

Neither the Issuer nor the Registrar will be required to register the transfer of any Bond (or part thereof) (i) during the period of 7 days ending on and including the Record Date immediately prior to the Maturity Date or any earlier date fixed for redemption of the Bonds pursuant to Condition 7(b) or 7(c); (ii) in respect of which a Conversion Notice has been delivered in accordance with Condition 6(h)); (iii) in respect of which a Bondholder has exercised its right to require redemption pursuant to Condition 7(e); or (iv) during the period of 7 days ending on (and including) any Record Date in respect of any payment of interest on the Bonds.

## 5 **Interest**

(a) *Interest Rate*

The Bonds bear interest from (and including) the Closing Date at the rate of 1.75 per cent. per annum calculated by reference to the principal amount thereof and payable semi-annually in arrear in equal instalments on 24 April and 24 October in each year (each an “**Interest Payment Date**”), commencing with the Interest Payment Date falling on 24 October 2020.

The amount of interest payable in respect of any period which is shorter than an Interest Period shall be calculated on the basis of the number of days in the relevant period from (and including) the first day of such period to (but excluding) the last day of such period divided by the product of (i) the number of days from (and including) the immediately preceding Interest Payment Date (or, if none, the Closing Date) to (but excluding) the next Interest Payment Date and (ii) two.

“**Interest Period**” means the period beginning on (and including) the Closing Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

(b) *Accrual of Interest*

Each Bond will cease to bear interest (i) where the Settlement Right or Conversion Right shall have been exercised by a Bondholder, from the Interest Payment Date immediately preceding the relevant Settlement Date or Conversion Date or, if none, the Closing Date (subject in any such case as provided in Condition 6(j)) or (ii) where such Bond is redeemed or repaid pursuant to Condition 7 or Condition 10, from the due date for redemption or repayment thereof unless, upon due presentation thereof, payment of principal is improperly withheld or refused, in which event interest will continue to accrue at the rate specified in Condition 5(a) (both before and after judgment) up to, but excluding, the Relevant Date.

## 6 Settlement and Conversion of Bonds

### (a) *Settlement Right and Conversion Right*

Subject as provided in these Conditions, each Bond shall initially entitle the holder to require the Issuer to redeem such Bond at the relevant Cash Alternative Amount (the “**Settlement Right**”) during the period referred to in these Conditions.

The Issuer will pay the Cash Alternative Amount no later than five TARGET Business Days following the end of the relevant Cash Alternative Calculation Period by transfer to a euro account with a bank in the city in which banks have access to the TARGET System in accordance with instructions contained in the relevant Settlement Notice.

If the Shareholder Resolutions are passed, the Issuer shall, within 5 Milan business days of the registration of the Shareholder Resolutions with the competent registrar, give notice (the “**Physical Settlement Notice**”) to the Bondholders in accordance with Condition 17 and to the Principal Paying, Transfer and Conversion Agent, the Trustee, the Registrar and the Calculation Agent that, with effect from and including the Physical Settlement Date specified in the Physical Settlement Notice, the Settlement Right relating to the Bonds shall cease to apply and instead the Conversion Right shall apply. Any Settlement Notice delivered in circumstances where the relevant Settlement Date shall fall on or after the Physical Settlement Date shall be void and ineffective.

Subject as provided in these Conditions, if the Issuer shall have given a Physical Settlement Notice, each Bond shall entitle the holder to convert such Bond in circumstances where the relevant Conversion Date falls on or after the Physical Settlement Date and to receive the Reference Shares, credited as fully paid, as provided in this Condition 6 (the “**Conversion Right**”).

The initial Conversion Price is €19.47 per Ordinary Share. The Conversion Price is subject to adjustment in the circumstances described in Condition 6(b).

A Bondholder may exercise the Settlement Right or, from and including the Physical Settlement Date, the Conversion Right in respect of a Bond by delivering such Bond to the specified office of any Paying, Transfer and Conversion Agent in accordance with Condition 6(h) whereupon the Issuer shall (subject as provided in these Conditions) procure the delivery to, or as directed by, the relevant Bondholder of (in the case of the exercise of a Settlement Right where the relevant Settlement Date falls prior to the Physical Settlement Date) the Cash Alternative Amount or (in the case of the exercise of a Conversion Right where the relevant Conversion Date falls on or after the Physical Settlement Date) the Reference Shares, credited as paid up in full, in each case as provided in this Condition 6.

Subject to and as provided in these Conditions, the Settlement Right or, on or after the Physical Settlement Date (if any), the Conversion Right in respect of a Bond may be exercised, at the option of the holder thereof, at any time subject to any applicable fiscal or other laws or regulations and as hereinafter provided, from (and including):

- (a) (in the case of the Settlement Right) the Long-Stop Date (or, if earlier, and provided that the Physical Settlement Date has not then occurred, the date of the occurrence of a Change of Control or a Free Float Event), or
- (b) (in the case of the Conversion Right) the Physical Settlement Date,

in each case (subject as provided below) to (and including) the date falling seven days prior to the Maturity Date or, if such Bond is to be redeemed pursuant to Condition 7(b),7(c) or 7(d) prior to

the Maturity Date, then up to (and including) the date falling seven days before the date fixed for redemption thereof (in the case of redemption pursuant to Condition 7(b) or 7(d)) or the day immediately preceding the date on which the Shareholder Event Notice is given (in the case of redemption pursuant to Condition 7(c)), unless in any such case there shall be a default in making payment in respect of such Bond on such date fixed for redemption, in which event the Settlement Right or, as the case may be, the Conversion Right shall extend up to (and including) the date on which the full amount of such payment becomes available for payment and notice of such availability has been duly given in accordance with Condition 17 or, if earlier, the Maturity Date or, if the Maturity Date is not a Milan business day, the immediately preceding Milan business day; provided that, in each case, if such final date for the exercise of Settlement Rights or, as the case may be, the Conversion Rights is not a business day at the place aforesaid, then the period for exercise of Settlement Rights or, as the case may be, the Conversion Rights by Bondholders shall end on the immediately preceding business day at the place aforesaid. Settlement Rights shall not be exercisable on or after the Physical Settlement Date.

Settlement Rights or, as the case may be, the Conversion Rights may not be exercised in respect of (i) any Bond following the giving of notice by the holder of such Bond pursuant to Condition 10 or (ii) a Bond in respect of which the relevant Bondholder has exercised its right to require the Issuer to redeem that Bond pursuant to Condition 7(f).

Save where a notice of redemption is given by the Issuer in the circumstances provided in Condition 6(j), Settlement Rights or, as the case may be, Conversion Rights may not be exercised by a Bondholder in circumstances where the relevant Settlement Date or, as the case may be, Conversion Date would fall during the period commencing on the Record Date in respect of any payment of interest on the Bonds to be made on an Interest Payment Date and ending on the relevant Interest Payment Date (both days inclusive).

In addition, if the board of directors of the Issuer resolves to convene a shareholders' meeting, Conversion Rights in respect of a Bond may not be exercised from and including the date which, on such date, is scheduled to be the seventh dealing day preceding such shareholders' meeting up to and including the date of the shareholders' meeting (the "**Restricted Period**"). Furthermore, if the board of directors of the Issuer resolves to convene a shareholders' meeting to resolve upon the distribution of Dividends, Conversion Rights in respect of a Bond may not be exercised from and including the date which, on such date, is scheduled to be the seventh dealing day preceding such shareholders' meeting up to and including the date immediately preceding the first date on which Ordinary Shares are traded ex the relevant Dividend on the Relevant Stock Exchange (the "**Further Restricted Period**").

Notwithstanding the above, (i) neither the Restricted Period nor the Further Restricted Period may exceed a period of 40 days (ii) there shall be no Restricted Period nor Further Restricted Period with respect to any shareholder meeting which takes place less than 30 days prior to the Maturity Date. For the avoidance of doubt, if the first date on which Ordinary Shares are traded ex the relevant Dividend on the Relevant Stock Exchange falls more than 40 days after the start of the Further Restricted Period, such Further Restricted Period shall be deemed to end 40 days after the first day of the Further Restricted Period. Conversion Notices that are received during a Restricted Period or a Further Restricted Period shall be deemed not to have been delivered and shall be null and void.

The periods during which Settlement Rights or, as the case may be, Conversion Rights may (subject as provided herein) be exercised by a Bondholder are referred to as the "**Settlement Period**" and "**Conversion Period**", respectively. For the avoidance of doubt, in the event that the Physical



Settlement Date falls before the Long-Stop Date, there will be no Settlement Period unless a Change of Control or Free Float Event has occurred prior to the Physical Settlement Date.

Settlement Rights and Conversion Rights may only be exercised in respect of the whole of the Authorised Denomination of a Bond.

Fractions of Ordinary Shares will not be issued or delivered on exercise of Conversion Rights or pursuant to Condition 6(c) and no cash payment or other adjustment will be made in lieu thereof. However, if the Conversion Right in respect of more than one Bond is exercised at any one time such that Ordinary Shares to be delivered on conversion or pursuant to Condition 6(c) are to be registered in the same name, the number of such Ordinary Shares to be delivered in respect thereof shall be calculated by the Calculation Agent on the basis of the aggregate principal amount of such Bonds being so converted and rounded down to the nearest whole number of Ordinary Shares.

The Issuer will pay the Cash Alternative Amount not later than five TARGET Business Days following the last day of the Cash Alternative Calculation Period by transfer to a Euro account of the payee with a bank in a city in which banks have access to the TARGET System in accordance with the instructions specified by the relevant Bondholder contained in the relevant Settlement Notice.

The Issuer will procure that Ordinary Shares to be issued or delivered on exercise of Conversion Rights will be issued or delivered to the holder of the Bonds completing the relevant Conversion Notice or his nominee if and to the extent so specified in the relevant Conversion Notice. Such Ordinary Shares will be deemed to be issued or delivered as of the relevant Conversion Date. Any Additional Ordinary Shares to be issued or transferred and delivered pursuant to Condition 6(c) will be deemed to be issued or delivered as of the relevant Reference Date.

(b) *Adjustment of Conversion Price*

Upon the occurrence of any of the events described below, the Conversion Price shall be adjusted by the Calculation Agent as follows:

(i) *Consolidation, reclassification, redesignation or subdivision*

If and whenever there shall be a consolidation, reclassification, redesignation or subdivision affecting the number of Ordinary Shares in issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A}{B}$$

where:

A is the aggregate number of Ordinary Shares in issue immediately before such consolidation, reclassification, redesignation or subdivision, as the case may be; and

B is the aggregate number of Ordinary Shares in issue immediately after, and as a result of, such consolidation, reclassification, redesignation or subdivision, as the case may be.

Such adjustment shall become effective on the Effective Date.

“**Effective Date**” means, in respect of this paragraph (b)(i), the date on which the consolidation, reclassification, redesignation or sub-division, as the case may be, takes effect.

(ii) *Capitalisation of profits or reserves*

If and whenever the Issuer shall issue any Ordinary Shares credited as fully paid to Shareholders by way of capitalisation of profits or reserves, including any share premium account or capital redemption reserve (other than an issue of Ordinary Shares constituting a cash Dividend pursuant to paragraph (a) of the definition of “Dividend”) the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A}{B}$$

where:

- A is the aggregate number of Ordinary Shares in issue immediately before such issue; and
- B is the aggregate number of Ordinary Shares in issue immediately after such issue. Such adjustment shall become effective on the Effective Date.

Such adjustment shall become effective on the Effective Date.

“**Effective Date**” means, in respect of this paragraph (b)(ii), the date of issue of such Ordinary Shares.

(iii) *Dividends*

If and whenever the Issuer shall declare, announce, make or pay any Dividend to Shareholders, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A-B}{A}$$

where:

- A is the Current Market Price of one Ordinary Share on the Ex-Date in respect of such Dividend; and
- B is the portion of the Fair Market Value of the aggregate Dividend attributable to one Ordinary Share, with such portion being determined by dividing the Fair Market Value of the aggregate Dividend by the number of Ordinary Shares entitled to receive the relevant Dividend (or, in the case of a purchase, redemption or buy back of Ordinary Shares or any depositary or other receipts or certificates representing Ordinary Shares by or on behalf of the Issuer or any Subsidiary of the Issuer, by the number of Ordinary Shares in issue immediately following such purchase, redemption or buy back, and treating as not being in issue any Ordinary Shares, or any Ordinary Shares represented by depositary or other receipts or certificates, purchased, redeemed or bought back).

Such adjustment shall become effective on the Effective Date.

“**Effective Date**” means, in respect of this paragraph (b)(iii)(A), the later of (i) the Ex-Date in respect of such Dividend and (ii) the first date upon which the Fair Market Value of the relevant Dividend is capable of being determined as provided herein.

For the purposes of the above, Fair Market Value shall (subject as provided in paragraph (a) of the definition of “Dividend” and in the definition of “Fair Market Value”) be determined as at the Effective Date in respect of the relevant Dividend.

(iv) *Rights issues*

If and whenever the Issuer or any Subsidiary of the Issuer or (at the direction or request or pursuant to any arrangements with the Issuer or any Subsidiary of the Issuer) any other company, person or entity shall issue Ordinary Shares to Shareholders as a class by way of rights, or shall issue or grant to Shareholders as a class by way of rights, any options, warrants or other rights to subscribe for or purchase or otherwise acquire any Ordinary Shares, or any Securities which by their terms of issue carry (directly or indirectly) rights of conversion into, or exchange or subscription for, or the right to otherwise acquire, any Ordinary Shares (or shall grant any such rights in respect of existing Securities so issued) in circumstances whereby such Ordinary Shares, options, warrants, other rights or any such Securities are not issued or granted to Bondholders as a class by way of rights in accordance with mandatory provisions of Italian law, in each case at a consideration receivable per Ordinary Share (based, where appropriate, on such number of Ordinary Shares as is determined pursuant to the definition of “C” and the proviso below) which is less than 95 per cent. of the Current Market Price per Ordinary Share on the Ex-Date in respect of the relevant issue or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A+B}{A+C}$$

where:

- A is the number of Ordinary Shares in issue on such Ex-Date;
- B is the number of Ordinary Shares which the aggregate consideration (if any) receivable for the Ordinary Shares issued by way of rights, or for the Securities issued by way of rights and upon exercise of rights of conversion into, or exchange or subscription for, or the right to otherwise acquire, Ordinary Shares, or for the options or warrants or other rights issued by way of rights and for the total number of Ordinary Shares deliverable on the exercise thereof, would purchase at such Current Market Price per Ordinary Share; and
- C is the number of Ordinary Shares to be issued or, as the case may be, the maximum number of Ordinary Shares which may be issued upon exercise of such options, warrants or rights calculated as at the date of issue of such options, warrants or rights or upon conversion or exchange or exercise of rights of subscription or purchase or other rights of acquisition in respect thereof at the initial conversion, exchange, subscription, purchase or acquisition price or rate;

provided that if on such Ex-Date such number of Ordinary Shares is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time, then for the purposes of this paragraph (b)(iv), “C” shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at such Ex-Date and as if such conversion, exchange, subscription, purchase or acquisition had taken place on such Ex-Date.

Such adjustment shall become effective on the Effective Date.

“**Effective Date**” means, in respect of this paragraph (b)(iv), the later of (i) the Ex-Date in respect of the relevant issue or grant and (ii) the first date upon which the adjusted Conversion Price is capable of being determined in accordance with this paragraph (b)(iv).

(v) *Issue of Securities to Shareholders*

If and whenever the Issuer or any Subsidiary of the Issuer or (at the direction or request or pursuant to any arrangements with the Issuer or any Subsidiary of the Issuer) any other company, person or entity shall (other than in the circumstances the subject of paragraph (b)(iv) and other than where such issue is determined to constitute a cash Dividend pursuant to paragraph (a) of the definition “Dividend”), issue any Securities to Shareholders as a class by way of rights or grant to Shareholders as a class by way of rights any options, warrants or other rights to subscribe for or purchase or otherwise acquire any Securities, in each case in circumstances whereby such Securities, options, warrants or rights are not issued or granted to Bondholders as a class by way of rights in accordance with mandatory provisions of Italian law, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A - B}{A}$$

where:

- A is the Current Market Price of one Ordinary Share on the Ex-Date in respect of the relevant issue or grant; and
- B is the Fair Market Value on such Ex-Date of the portion of the rights attributable to one Ordinary Share.

Such adjustment shall become effective on the Effective Date.

“**Effective Date**” means, in respect of this paragraph (b)(v), the later of (i) the Ex-Date in respect of the relevant issue or grant and (ii) the first date upon which the adjusted Conversion Price is capable of being determined in accordance with this paragraph (b)(v) .

(vi) *Issue of Ordinary Shares at below Current Market Price*

If and whenever the Issuer shall issue (otherwise than as mentioned in paragraph (b)(iv) above) wholly for cash or for no consideration any Ordinary Shares (other than Ordinary Shares issued on conversion of the Bonds (which term shall for this purpose include any Further Bonds) or on the exercise of any rights of conversion into, or exchange or subscription for or purchase of, or rights to otherwise acquire, Ordinary Shares and other than any issue of Ordinary Shares constituting a cash Dividend pursuant to paragraph (a) of the definition of “Dividend” or if and whenever the Issuer or any Subsidiary of the Issuer or (at the direction or request or pursuant to any arrangements with the Issuer or any Subsidiary of the Issuer) any other company, person or entity shall issue or grant (otherwise than as mentioned in paragraph (b)(iv) above) wholly for cash or for no consideration any options, warrants or other rights to subscribe for or purchase or otherwise acquire any Ordinary Shares (other than the Bonds, which term shall for this purpose include any Further Bonds), in each case at consideration receivable per Ordinary Share (based, where appropriate, on such number of Ordinary Shares as is determined pursuant to the definition of “C” and the proviso below) which is less than 95 per cent. of the Current Market Price per Ordinary Share on the date of first public announcement of the terms of such issue or grant, the

Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the number of Ordinary Shares in issue immediately before the date of first public announcement of the terms of such issue of Ordinary Shares or issue or grant of options, warrants or other rights as provided above;
- B is the number of Ordinary Shares which the aggregate consideration (if any) receivable for the issue of such Ordinary Shares or, as the case may be, for the Ordinary Shares to be issued or otherwise made available upon the exercise of any such options, warrants or rights, would purchase at such Current Market Price per Ordinary Share; and
- C is the number of Ordinary Shares to be issued pursuant to such issue of such Ordinary Shares or, as the case may be, the maximum number of Ordinary Shares which may be issued upon exercise of such options, warrants or rights calculated as at the date of issue of such options, warrants or rights;

provided that if on the date of first public announcement of the terms of such issue or grant (as used in this paragraph (b)(vi), the “**Specified Date**”) such number of Ordinary Shares is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time, then for the purposes of this paragraph (b)(iv) , “C” shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Specified Date and as if such conversion, exchange, subscription, purchase, acquisition had taken place on the Specified Date.

Such adjustment shall become effective on the Effective Date.

“**Effective Date**” means, in respect of this paragraph (b)(iv), the later of (i) the date of issue of such Ordinary Shares or, as the case may be, the issue or grant of such options, warrants or rights and (ii) the first date upon which the adjusted Conversion Price is capable of being determined in accordance with this paragraph (b)(iv) .

(vii) *Other issues*

If and whenever the Issuer or any Subsidiary of the Issuer or (at the direction or request of or pursuant to any arrangements with the Issuer or any Subsidiary of the Issuer) any other company, person or entity shall (otherwise than as mentioned in paragraphs (b)(iv), (b)(v) or (b)(vi) above) issue wholly for cash or for no consideration any Securities (other than the Bonds which term shall for this purpose exclude any Further Bonds and other than where such issue of Securities is determined to constitute a cash Dividend pursuant to paragraph (a) of the definition of “Dividend” which by their terms of issue carry (directly or indirectly) rights of conversion into, or exchange or subscription for, purchase of, or rights to otherwise acquire, Ordinary Shares (or shall grant any such rights in respect of existing Securities so issued) or Securities which by their terms might be reclassified or redesignated as Ordinary Shares, and the consideration per Ordinary Share (based, where appropriate, on such number of Ordinary Shares as is determined pursuant to the definition of “C” and the proviso below) receivable upon conversion, exchange, subscription, purchase, acquisition, reclassification or redesignation is less than 95 per cent. of the Current Market Price per Ordinary Share on the date of first public announcement of the terms

of the issue of such Securities (or the terms of such grant), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A+B}{A+C}$$

where:

- A is the number of Ordinary Shares in issue immediately before the date of first public announcement of the terms of the issue of such Securities (or the terms of such grant);
- B is the number of Ordinary Shares which the aggregate consideration (if any) receivable for the Ordinary Shares to be issued or otherwise made available upon conversion or exchange or upon exercise of the right of subscription, purchase or acquisition attached to such Securities or, as the case may be, for the Ordinary Shares to be issued or to arise from any such reclassification or redesignation would purchase at such Current Market Price per Ordinary Share; and
- C is the maximum number of Ordinary Shares to be issued or otherwise made available upon conversion or exchange of such Securities or upon the exercise of such right of subscription, purchase or acquisition attached thereto at the initial conversion, exchange, subscription, purchase or acquisition price or rate or, as the case may be, the maximum number of Ordinary Shares which may be issued or arise from any such reclassification or redesignation,

provided that if on the date of first public announcement of the terms of the issue of such Securities (or the terms of such grant) (as used in this paragraph, the “**Specified Date**”) such number of Ordinary Shares is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time (which may be when such Securities are converted or exchanged or rights of subscription, purchase or acquisition are exercised or, as the case may be, such Securities are reclassified or redesignated or at such other time as may be provided), then for the purposes of this paragraph (b)(vii), “C” shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Specified Date and as if such conversion, exchange, subscription, purchase or acquisition, reclassification or, as the case may be, redesignation had taken place on the Specified Date.

Such adjustment shall become effective on the Effective Date.

“**Effective Date**” means, in respect of this paragraph (b)(vii), the later of (i) the date of issue of such Securities or, as the case may be, the grant of such rights and (ii) the first date upon which the adjusted Conversion Price is capable of being determined in accordance with this paragraph (b)(vii).

(viii) *Modification of rights*

If and whenever there shall be any modification of the rights of conversion, exchange, subscription, purchase or acquisition attaching to any Securities (other than the Bonds, which term shall for this purpose include any Further Bonds) which by their terms of issue carry (directly or indirectly) rights of conversion into, or exchange or subscription for, or the right to otherwise acquire, any Ordinary Shares (other than in accordance with the terms (including terms as to adjustment) applicable to such Securities upon issue) so that following such modification the

consideration per Ordinary Share (based, where appropriate, on such number of Ordinary Shares as is determined pursuant to the definition of “C” and the proviso below) receivable upon conversion, exchange, subscription, purchase or acquisition has been reduced and is less than 95 per cent. of the Current Market Price per Ordinary Share on the date of first public announcement of the terms for such modification, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the number of Ordinary Shares in issue immediately before the date of first public announcement of the terms for such modification;
- B is the number of Ordinary Shares which the aggregate consideration (if any) receivable for the Ordinary Shares to be issued or otherwise made available upon conversion or exchange or upon exercise of the right of subscription, purchase or acquisition attached to the Securities so modified would purchase at such Current Market Price per Ordinary Share or, if lower, the existing conversion, exchange, subscription, purchase or acquisition price or rate of such Securities; and
- C is the maximum number of Ordinary Shares which may be issued or otherwise made available upon conversion or exchange of such Securities or upon the exercise of such rights of subscription, purchase or acquisition attached thereto at the modified conversion, exchange, subscription, purchase or acquisition price or rate but giving credit in such manner as the Calculation Agent shall consider appropriate for any previous adjustment under this paragraph (b)(viii) or paragraph (b)(vii) above;

provided that if on the date of first public announcement of the terms of such modification (as used in this paragraph (b)(viii), the “**Specified Date**”) such number of Ordinary Shares is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time (which may be when such Securities are converted or exchanged or rights of subscription, purchase or acquisition are exercised or at such other time as may be provided), then for the purposes of this paragraph (b)(viii), “C” shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Specified Date and as if such conversion, exchange, subscription, purchase or acquisition had taken place on the Specified Date.

Such adjustment shall become effective on the Effective Date.

“**Effective Date**” means, in respect of this paragraph (b)(viii), the later of (i) the date of modification of the rights of conversion, exchange, subscription, purchase or acquisition attaching to such Securities and (ii) the first date upon which the adjusted Conversion Price is capable of being determined in accordance with this paragraph (b)(viii).

(ix) *Certain arrangements*

If and whenever the Issuer or any Subsidiary of the Issuer or (at the direction or request of or pursuant to any arrangements with the Issuer or any Subsidiary of the Issuer) any other company, person or entity shall offer any Ordinary Shares or Securities in connection with which Shareholders as a class are entitled to participate in arrangements whereby such Ordinary Shares or Securities may be acquired by them (except where the Conversion Price falls to be adjusted

under paragraphs (b)(ii), (b)(iii), (b)(iv), (b)(v), (b)(vi) or (b)(vii) above or (b)(x) below (or, where applicable, would fall to be so adjusted if the relevant issue or grant was at less than 95 per cent. of the Current Market Price per Ordinary Share on the relevant day), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A-B}{A}$$

where:

- A is the Current Market Price of one Ordinary Share on the Ex-Date in respect of the relevant offer; and
- B is the Fair Market Value on such Ex-Date of the portion of the relevant offer attributable to one Ordinary Share.

Such adjustment shall become effective on the Effective Date.

“**Effective Date**” means, in respect of this paragraph (b)(ix), the later of (i) the Ex-Date in respect of the relevant offer and (ii) the first date upon which the adjusted Conversion Price is capable of being determined in accordance with this paragraph (b)(ix).

(x) *Change of Control or Free Float Event*

If a Change of Control or Free Float Event shall occur, then upon any exercise of Conversion Rights or Settlement Rights where the Conversion Date, or as the case may be, the Settlement Date, falls (a) during the Relevant Event Period applicable to such Change of Control or Free Float Event or (b) (where the Issuer gives an Optional Redemption Notice or Tax Redemption Notice in respect of the Bonds within 45 dealing days following the end of the Relevant Event Period) on or after the date such Optional Redemption Notice or Tax Redemption Notice is given and on or prior to the seventh day prior to the Optional Redemption Date or the Tax Redemption Date, as the case may be, the Conversion Price, solely for the purpose of such exercise of Conversion Rights or, as the case may be, Settlement Rights as aforesaid (the “**Change of Control Conversion Price**”) shall be determined by multiplying the Conversion Price in effect on the relevant Conversion Date or Settlement Date by the following fraction:

$$\frac{1}{1 + \left( CP \times \frac{c}{t} \right)}$$

where:

- CP = means 50 per cent. (expressed as fraction)
- c = means the number of days from and including the date the Change of Control or Free Float Event occurs to but excluding the Maturity Date
- t = means the number of days from and including the Closing Date to but excluding the Maturity Date

(xi) *Other adjustments*



If the Issuer (following consultation with the Calculation Agent) determines that an adjustment should be made to the Conversion Price (or that a determination should be made as to whether an adjustment should be made) as a result of one or more circumstances not referred to above in this Condition 6(b) (even if the relevant circumstance is specifically excluded from the operation of paragraphs (b)(i) to (x) above), the Issuer shall, at its own expense and acting reasonably, request an Independent Adviser to determine, in consultation with the Calculation Agent, if different as soon as practicable what adjustment (if any) to the Conversion Price is fair and reasonable to take account thereof and the date on which such adjustment (if any) should take effect and upon such determination such adjustment (if any) shall be made and shall take effect in accordance with such determination, provided that an adjustment shall only be made pursuant to this paragraph (b)(xi) if such Independent Adviser is so requested to make such a determination not more than 21 days after the date on which the relevant circumstance arises and if the adjustment would result in a reduction to the Conversion Price.

(xii) *Modifications*

Notwithstanding the foregoing provisions:

- (a) where the events or circumstances giving rise to any adjustment pursuant to this Condition 6(b) have already resulted or will result in an adjustment to the Conversion Price or where the events or circumstances giving rise to any adjustment arise by virtue of any other events or circumstances which have already given or will give rise to an adjustment to the Conversion Price or where more than one event which gives rise to an adjustment to the Conversion Price occurs within such a short period of time that in the opinion of the Issuer, following consultation with the Calculation Agent, a modification to the operation of the adjustment provisions is required to give the intended result, such modification shall be made to the operation of the adjustment provisions as may be determined in good faith by an Independent Adviser to be in its opinion appropriate to give the intended result;
- (b) such modification shall be made to the operation of these Conditions as may be determined in good faith by an Independent Adviser, in consultation with the Calculation Agent (if different), to be in its opinion appropriate (i) to ensure that an adjustment to the Conversion Price or the economic effect thereof shall not be taken into account more than once and (ii) to ensure that the economic effect of a Dividend is not taken into account more than once; and
- (c) other than pursuant to Condition 6(b)(i), no adjustment shall be made that would result in an increase to the Conversion Price.

(xiii) *Calculation of consideration*

For the purpose of any calculation of the consideration receivable or price pursuant to paragraphs (b)(iv), (b)(vi), (b)(vii) and (b)(viii), the following provisions shall apply:

- (a) the aggregate consideration receivable or price for Ordinary Shares issued for cash shall be the amount of such cash;
- (b) (x) the aggregate consideration receivable or price for Ordinary Shares to be issued or otherwise made available upon the conversion or exchange of any Securities shall be deemed to be the consideration or price received or receivable for any such Securities (whether on one or more occasions) and (y) the aggregate consideration receivable or price for Ordinary Shares to be issued or otherwise made available upon the exercise of rights of subscription attached to any Securities or upon the exercise of any options, warrants or

rights shall be deemed to be that part (which may be the whole) of the consideration or price received or receivable for such Securities or, as the case may be, for such options, warrants or rights which are attributed by the Issuer to such rights of subscription or, as the case may be, such options, warrants or rights or, if no part of such consideration or price is so attributed, the Fair Market Value of such rights of subscription or, as the case may be, such options, warrants or rights as at the relevant Ex-Date referred to in paragraph (b)(iv) or as at the relevant date of first public announcement referred to in paragraph (b)(vi), (b)(vii) or (b)(viii), as the case may be, plus in the case of each of (x) and (y) above, the additional minimum consideration receivable or price (if any) upon the conversion or exchange of such Securities, or upon the exercise of such rights of subscription attached thereto or, as the case may be, upon exercise of such options, warrants or rights and (z) the consideration receivable or price per Ordinary Share upon the conversion or exchange of, or upon the exercise of such rights of subscription attached to, such Securities or, as the case may be, upon the exercise of such options, warrants or rights shall be the aggregate consideration or price referred to in (x) or (y) above (as the case may be) divided by the number of Ordinary Shares to be issued upon such conversion or exchange or exercise at the initial conversion, exchange or subscription price or rate, all as determined in good faith by the Calculation Agent;

- (c) if the consideration or price determined pursuant to (a) or (b) above (or any component thereof) shall be expressed in a currency other than the Relevant Currency (other than in circumstances where such consideration is also expressed in the Relevant Currency, in which case such consideration shall be treated as expressed in the Relevant Currency in an amount equal to the amount of such consideration when so expressed in the Relevant Currency), it shall be converted by the Calculation Agent into the Relevant Currency at the Prevailing Rate on the relevant Ex-Date (for the purposes of paragraph (b)(iv)) or the relevant date of first public announcement (for the purposes of paragraph (b)(vi), (b)(vii) or (b)(viii), as the case may be);
- (d) in determining the consideration or price pursuant to the above, no deduction shall be made for any commissions or fees (howsoever described) or any expenses paid or incurred for any underwriting, placing or management of the issue of the relevant Ordinary Shares or Securities or options, warrants or rights, or otherwise in connection therewith;
- (e) the consideration or price shall be determined as provided above on the basis of the consideration or price received, receivable, paid or payable, regardless of whether all or part thereof is received, receivable, paid or payable by or to the Issuer or another entity;
- (f) if as part of the same transaction, Ordinary Shares shall be issued or issuable for a consideration receivable in more than one or in different currencies then the consideration receivable per Ordinary Share shall be determined by dividing the aggregate consideration (determined as aforesaid and converted, if and to the extent not in the Relevant Currency, into the Relevant Currency as aforesaid) by the aggregate number of Ordinary Shares so issued; and
- (g) references in these Conditions to “cash” includes any promise or undertaking to pay cash or any release or extinguishment of, or set-off against, a liability or obligation to pay a cash amount.

(c) *Retroactive Adjustments*

- (i) If a Retroactive Adjustment occurs in relation to any exercise of Settlement Rights in circumstances where any dealing day comprised in the Cash Alternative Calculation Period in respect of such exercise of Settlement Rights falls on or after the relevant Applicable Date, the Issuer shall pay to the relevant Bondholder an additional amount (the “**Additional Cash Alternative Amount**”) calculated in good faith by the Calculation Agent and equal to the Market Price of such number of Ordinary Shares (rounded down if necessary to the nearest whole number of Ordinary Shares) (if any) as is equal to that by which the number of Reference Shares would have been increased if the relevant adjustment to the Conversion Price had been made and become effective immediately prior to the relevant Settlement Date, all as determined in good faith by the Calculation Agent.

The Issuer will pay the Additional Cash Alternative Amount not later than five TARGET Business Days following the relevant Reference Date by transfer to a Euro account of the payee with a bank in a city in which banks have access to the TARGET System in accordance with the instructions specified by the relevant Bondholder contained in the relevant Settlement Notice.

- (ii) If a Retroactive Adjustment occurs in relation to any exercise of Conversion Rights, the Issuer shall procure that there shall be issued or transferred and delivered to the relevant Bondholder, in accordance with the instructions contained in the relevant Conversion Notice, such additional number of Ordinary Shares (if any) (the “**Additional Ordinary Shares**”) as, together with the Ordinary Shares issued or transferred and delivered on the relevant exercise of Conversion Rights, is equal to the number of Ordinary Shares which would have been required to be issued or transferred and delivered on such exercise if the relevant adjustment to the Conversion Price had been made and become effective immediately prior to the relevant Conversion Date, all as determined in good faith by the Calculation Agent or an Independent Adviser.

(d) *Decision and Determination of the Calculation Agent or an Independent Adviser*

Adjustments to the Conversion Price shall be determined and calculated by the Calculation Agent upon request from the Issuer and/or, to the extent so specified in the Conditions and upon request from the Issuer, by an Independent Adviser.

Adjustments to the Conversion Price calculated by the Calculation Agent or, where applicable, an Independent Adviser and any other determinations made by the Calculation Agent or, where applicable, an Independent Adviser, or an opinion of an Independent Adviser, pursuant to these Conditions shall in each case be made in good faith and shall be final and binding (in the absence of manifest error) on the Issuer, the Trustee, the Bondholders, the Calculation Agent (in the case of a determination by an Independent Adviser) and the Paying, Transfer and Conversion Agents.

The Calculation Agent may consult, at the expense of the Issuer, on any matter (including, but not limited to, any legal matter), any legal or other professional adviser and it shall be able to rely upon, and it shall not be liable and shall incur no liability as against the Trustee, the Bondholders or the Paying, Transfer

and Conversion Agents in respect of anything done, or omitted to be done, relating to that matter in good faith, in accordance with that adviser's opinion.

The Calculation Agent shall act solely upon the request from, and exclusively as agent of, the Issuer and in accordance with these Conditions. Neither the Calculation Agent (acting in such capacity) nor any Independent Adviser appointed in connection with the Bonds (acting in such capacity) will thereby assume any obligations towards or relationship of agency or trust and shall not be liable and shall incur no liability in respect of anything done, or omitted to be done in good faith, in its capacity as Calculation Agent as against the Trustee, the Bondholders or the Paying, Transfer and Conversion Agents.

If following consultation between the Issuer and the Calculation Agent any doubt shall arise as to whether an adjustment falls to be made to the Conversion Price or as to the appropriate adjustment to the Conversion Price or the date from which such adjustment shall take effect, and following consultation between the Issuer and an Independent Adviser, a written opinion of such Independent Adviser in respect thereof shall be conclusive and binding on the Issuer, the Bondholders, the Calculation Agent (if different) and the Trustee, save in the case of manifest error.

*(e) Share or Option Schemes, Dividend Reinvestment Plans*

No adjustment will be made to the Conversion Price where Ordinary Shares or other Securities (including, but not limited to, rights, warrants and options) are issued, offered, exercised, allotted, purchased, appropriated, modified or granted (i) to, or for the benefit of, employees or former employees (including directors holding or formerly holding executive office or non-executive office, consultants or former consultants, or the personal service company of any such person) or their spouses or relatives, in each case, of the Issuer or any of its Subsidiaries or any associated company or to a trustee or nominee to be held for the benefit of any such person, in any such case pursuant to any share or option or incentive scheme or (ii) pursuant to any dividend reinvestment plan or similar plan or scheme.

*(f) Rounding Down and Notice of Adjustment to the Conversion Price*

On any adjustment, the resultant Conversion Price, if not an integral multiple of €0.0001, shall be rounded down to the nearest whole multiple of €0.0001. No adjustment shall be made to the Conversion Price where such adjustment (rounded down if applicable) would be less than one per cent. of the Conversion Price then in effect. Any adjustment not required to be made and/or any amount by which the Conversion Price has been rounded down, shall be carried forward and taken into account in any subsequent adjustment, and such subsequent adjustment shall be made on the basis that the adjustment not required to be made had been made at the relevant time and/or, as the case may be, that the relevant rounding down had not been made.

Notice of any adjustments to the Conversion Price shall be given by the Issuer to Bondholders, in accordance with Condition 17, and to the Trustee promptly after the determination thereof.

The Conversion Price shall not in any event be reduced to below the nominal or par value of the Ordinary Shares or be reduced so that on conversion of the Bonds, Ordinary Shares would fall to be issued in circumstances not permitted by applicable laws or regulations. The Issuer undertakes that it shall not take any action, and shall procure that no action is taken, that would otherwise result in an adjustment to the Conversion Price to below such nominal or par value or any minimum level permitted by applicable laws or regulations or that would otherwise result in Ordinary Shares being required to be issued or transferred and delivered in circumstances not permitted by applicable laws or regulations.

(g) *Change of Control or Free Float Event*

Within 14 days following the occurrence of a Change of Control or Free Float Event, the Issuer shall give notice thereof to Bondholders in accordance with Condition 17, to the Trustee and the Principal Paying, Transfer and Conversion Agent (the “**Relevant Event Notice**”). Such notice shall contain a statement informing Bondholders of their entitlement to exercise their Settlement Rights or, as the case may be, Conversion Rights as provided in these Conditions and their entitlement to exercise their rights to require redemption of their Bonds pursuant to Condition 7(e).

Such notice shall also specify:

- (i) all information material to Bondholders concerning the Change of Control or Free Float Event, as the case may be;
- (ii) the Conversion Price immediately prior to the occurrence of the Change of Control or Free Float Event, as the case may be, and the adjusted Conversion Price applicable pursuant to Condition 6(b)(x) during the Relevant Event Period on the basis of the Conversion Price in effect immediately prior to the occurrence of the Relevant Event (but, for the avoidance of doubt, if any other Conversion Price adjustment becomes effective during the Relevant Event Period, any exercise of Conversion Rights or Settlement Rights where the relevant Settlement Date or Conversion Date, as the case may be, falls in the Relevant Event Period shall be the Conversion Price prevailing on such Settlement Date or Conversion Date, adjusted as provided in Condition 6(b)(x));
- (iii) the Closing Price of the Ordinary Shares as at the latest practicable date prior to the publication of such notice;
- (iv) the last day of the Relevant Event Period;
- (v) the Put Date; and
- (vi) such other information relating to the Relevant Event as the Trustee may require.

The Trustee shall not be required to monitor or take any steps to ascertain whether a Change of Control or Free Float Event, as the case may be, or any event which could lead to a Change of Control or Free Float Event, as the case may be, has occurred or may occur and will not be responsible or liable to Bondholders or any other person for any loss arising from any delay or failure by it to do so.

(h) *Procedure for exercise of Settlement Rights and Conversion Rights*

Settlement Rights or, as the case may be, Conversion Rights may be exercised by a Bondholder during the Settlement Period or the Conversion Period, respectively, by delivering the relevant Bond to the specified office of any Paying, Transfer and Conversion Agent, during its usual business hours, accompanied by a duly completed and signed notice of settlement (and such other information as the Paying, Transfer and Conversion Agent requires) (a “**Settlement Notice**”) or, as the case may be, conversion (a “**Conversion Notice**”) in the form (for the time being current) obtainable from any Paying, Transfer and Conversion Agent or, in the case of a Conversion Notice, such other form as is acceptable to the Paying, Transfer and Conversion Agent. Settlement Rights or, as the case may be, Conversion Rights shall be exercised subject in each case to any applicable fiscal or other laws or regulations applicable in the jurisdiction in which the specified office of the Paying, Transfer and Conversion Agent to whom the relevant Settlement Notice or Conversion Notice is delivered is located.

If such delivery of the relevant Bond and Settlement Notice or, as the case may be, Conversion Notice is made after the end of normal business hours or on a day which is not a business day in the place of

the specified office of the relevant Paying, Transfer and Conversion Agent, such delivery shall be deemed for all purposes of these Conditions to have been made on the next following such business day in the relevant place as aforesaid.

Any determination as to whether any Settlement Notice or Conversion Notice has been duly completed and properly delivered shall be made by the relevant Paying, Transfer and Conversion Agent and shall, save in the case of manifest error, be conclusive and binding on the Issuer, the Trustee, the Paying, Transfer and Conversion Agents, the Registrar and the relevant Bondholder.

Settlement Rights or, as the case may be, Conversion Rights may only be exercised in respect of the Authorised Denomination of a Bond.

A Settlement Notice or a Conversion Notice, once delivered, shall be irrevocable.

The “**Settlement Date**” (in respect of an exercise of Settlement Rights) or the “**Conversion Date**” (in respect of an exercise of Conversion Rights) shall be the business day in Milan immediately following the date of the delivery of the relevant Bond and the Settlement Notice or, as the case may be, the Conversion Notice, as provided in this Condition 6(h).

The Issuer shall pay all capital, stamp, issue and registration and transfer taxes and duties payable in Italy, or in any other jurisdiction in which the Issuer may be domiciled or resident or to whose taxing jurisdiction it may be generally subject, in respect of the issue or transfer and delivery of any Ordinary Shares in respect of such exercise (including any Additional Ordinary Shares) including without limitation any such taxes payable in Italy pursuant to Article 1, paragraphs 491 to 500, of Law No. 228 of 24 December 2012, as amended, and implementing regulations (“**Specified Taxes**”). If the Issuer shall fail to pay any Specified Taxes, the relevant holder shall be entitled to tender and pay the same and the Issuer as a separate and independent stipulation, covenants to reimburse and indemnify each Bondholder in respect of any payment thereof and any penalties payable in respect thereof.

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

Neither the Trustee, the Calculation Agent, the Registrar nor any Paying, Transfer and Conversion Agent shall be responsible for determining whether any Specified Taxes or Bondholder Taxes are payable or the amount thereof and shall not be responsible or liable for any failure by the Issuer to pay such Specified Taxes or by a Bondholder to pay such Bondholder Taxes.

Ordinary Shares (including any Additional Ordinary Shares) to be delivered on exercise of Conversion Rights will be delivered by or on behalf of the Issuer in uncertificated form through Monte Titoli S.p.A., unless, at the time of issue, the Ordinary Shares are not a participating security in Monte Titoli S.p.A. Where Ordinary Shares are to be issued through Monte Titoli S.p.A., they will be delivered to the account specified by the relevant Bondholder in the relevant Conversion Notice by not later than seven Milan business days following the relevant Conversion Date (or, in the case of any Additional Ordinary Shares, by not later than seven Milan business days following the relevant Reference Date).

If the Ordinary Shares are not a participating security in Monte Titoli S.p.A. at the relevant time, the Ordinary Shares to be delivered on exercise of Conversion Rights will be delivered by not later than seven Milan business days following the relevant Conversion Date (or, in the case of any Additional Ordinary Shares, by not later than seven Milan business days following the relevant Reference Date) in such manner as may be in accordance with market practice, and as notified by the Issuer to Bondholders.

Notwithstanding any other provisions of these Conditions, a Bondholder exercising Conversion Rights following a Change of Control Conversion Right Amendment as described in Condition 11(b)(ii)(F) will be deemed, for the purposes of these Conditions, to have received the Ordinary Shares to be issued or transferred and delivered arising on conversion of its Bonds in the manner provided in these Conditions, and have exchanged such Ordinary Shares for the consideration that it would have received therefor if it had exercised its Conversion Right in respect of such Bonds at the time of the occurrence of the relevant Change of Control.

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

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

(j) *Interest on Conversion or Settlement*

Save as provided below, no payment or adjustment shall be made on exercise of Settlement Rights or, as the case may be, Conversion Rights for any interest which otherwise would have accrued on the relevant Bonds since the last Interest Payment Date preceding the Settlement Date or, as the case may be, Conversion Date relating to such Bonds (or, if such Settlement Date or, as the case may be, Conversion Date falls before the first Interest Payment Date, since the Closing Date).

If any notice requiring the redemption of the Bonds is given pursuant to Condition 7(b) or 7(c) on or after the fifteenth Milan business day prior to a record date or other due date for establishment of entitlement which has occurred since the last Interest Payment Date (or in the case of the first Interest Period, since the Closing Date) in respect of any Dividend or distribution payable in respect of the Ordinary Shares where such notice specifies a date for redemption falling on or prior to the date which is 14 Milan business days after the Interest Payment Date next following such record date or other due date for establishment of entitlement, interest shall accrue at the rate provided in Condition 5(a) on Bonds in respect of which Settlement Rights or, as the case may be, Conversion Rights shall have been exercised and in respect of which the Settlement Date or, as the case may be, Conversion Date falls after such record date or other due date for establishment of entitlement and on or prior to the Interest Payment Date next following such record date in respect of such Dividend or distribution, in each case from and including the preceding Interest Payment Date (or, if such Settlement Date or, as the case may be, Conversion Date falls before the first Interest Payment Date, from the Closing Date) to but excluding such Settlement Date or, as the case may be, Conversion Date.

The Issuer shall pay any such interest by not later than 14 days after the relevant Settlement Date or, as the case may be, Conversion Date by transfer to a euro account with a bank in a city in which banks have access to the TARGET System in accordance with instructions given by the relevant Bondholder in the relevant Settlement Notice or, as the case may be, Conversion Notice.

(k) *Purchase or Redemption of Ordinary Shares*

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

(l) *No Duty to Monitor*

None of the Trustee, the Calculation Agent, the Principal Paying, Transfer and Conversion Agent or the Registrar shall be under any duty to monitor whether any event or circumstance has happened or exists or may happen or exist and which requires or may require an adjustment to be made to the Conversion Price and will not be responsible or liable to any person for any loss arising from any failure by it to do so, nor shall the Trustee, the Principal Paying, Transfer and Conversion Agent, the Registrar or the Calculation Agent be responsible or liable to any person (other than in the case of the Calculation Agent, to the Issuer strictly in accordance with the relevant provisions of the Calculation Agency Agreement) for any determination of whether or not an adjustment to the Conversion Price is required or should be made nor as to the determination or calculation of any such adjustment.

(m) *Consolidation, Amalgamation or Merger*

Without prejudice to Condition 6(b)(x), in the case of any consolidation, amalgamation or merger (including any ‘*fusionne*’ or ‘*scissione*’) of the Issuer with any other corporation (other than constituting a Change of Control or a consolidation, amalgamation or merger in which the Issuer is the continuing corporation) (a “**Successor in Business**”), the Issuer will forthwith give notice thereof to Bondholders and to the Trustee of such event and will take such steps as shall be required, subject to applicable law (including the execution of a deed supplemental to or amending the Trust Deed):

- (i) to ensure that the Successor in Business is substituted in place of the Issuer as the principal debtor under the Bonds and the Trust Deed;
- (ii) to ensure that each Bond then outstanding will (during the period in which Conversion Rights may be exercised) be convertible into equity share capital (or similar) of the Successor in Business, on such basis and with a Conversion Price (subject to adjustment as provided in these Conditions) as determined in good faith by an Independent Adviser (each a “**Conversion Right Transfer**”); and
- (iii) to ensure that the Trust Deed (as so amended or supplemented if applicable) and the Conditions provide substantially the same or equivalent powers, protections, rights and benefits to the Trustee and the Bondholders following the implementation of such Succession in Business as they provided to the Trustee and the Bondholders prior to the implementation of the Succession in Business, *mutatis mutandis*, as determined by an Independent Adviser.

The satisfaction of the requirements set out in subparagraphs (i),(ii) and (iii) of this Condition 6(m) by the Issuer is herein referred to as a “**Permitted Merger**”. Notwithstanding any other provision of these Conditions, a Permitted Merger shall not result in a breach of undertaking, constitute an Event of Default or otherwise result in any breach of any provision of these Conditions or the Trust Deed. Following the occurrence of a Permitted Merger, references in these Conditions, the Trust Deed and the Agency Agreement to the “Issuer” will be construed as references to the relevant Successor in Business.



At the request of the Issuer, but subject to the Issuer's compliance with the provisions of subparagraph (i), (ii) and (iii) of this Condition 6(m), the Trustee shall (at the expense of the Issuer), without the requirement for any consent or approval of the Bondholders, be obliged to concur with the Issuer in using its reasonable endeavours to effect any Conversion Right Transfer and the substitution and other amendments referred to in (i) and (iii) above (including, *inter alia*, the execution of a deed supplemental to or amending the Trust Deed), provided that the Trustee shall not be obliged so to concur if in the opinion of the Trustee doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the rights and/or protective provisions afforded to the Trustee in these Conditions, the Trust Deed or the Agency Agreement (including, for the avoidance of doubt, any supplemental trust deed or supplemental agency agreement) in any way.

If, following consultation with the Calculation Agent, any doubt shall arise as to how determinations, calculations or adjustments as specifically required to be performed by the Calculation Agent in these Conditions should be performed following any such consolidation, amalgamation or merger, a written opinion of an Independent Adviser in respect thereof shall be conclusive and binding on the Successor in Business, the Issuer, the Trustee, the Bondholders, the Calculation Agent and all other parties, save in the case of manifest error.

The above provisions of this Condition 6(m) will apply, *mutatis mutandis*, to any subsequent consolidations, amalgamation or mergers.

## 7 Redemption and Purchase

### (a) *Final Redemption*

Unless previously purchased and cancelled, redeemed or settled or converted as herein provided, the Bonds will be redeemed at their principal amount on the Maturity Date. The Bonds may only be redeemed at the option of the Issuer prior to the Maturity Date in accordance with Condition 7(b), 7(c) or 7(d) and Bondholders may only require the Issuer to redeem the Bonds prior to the Maturity Date in accordance with Condition 7(f).

### (b) *Redemption at the Option of the Issuer*

Subject as provided in Condition 7(d), on giving not less than 30 nor more than 60 days' notice (an "**Optional Redemption Notice**") to the Bondholders in accordance with Condition 17, to the Trustee and the Principal Paying, Transfer and Conversion Agent, the Issuer may redeem all but not some only of the Bonds on the date (the "**Optional Redemption Date**") specified in the Optional Redemption Notice at their principal amount, together with accrued but unpaid interest up to (but excluding) the Optional Redemption Date:

- (i) at any time on or after 16 May 2025 (the "**First Call Date**"), if the Parity Value on each of at least 20 dealing days in any period of 30 consecutive dealing days ending no more than 7 dealing days prior to the giving of the relevant Optional Redemption Notice shall have exceeded €130,000, as verified by the Calculation Agent upon request by the Issuer; or
- (ii) at any time if, prior to the date the relevant Optional Redemption Notice is given, Settlement Rights and/or Conversion Rights shall have been exercised and/or purchases (and corresponding cancellations) and/or redemptions effected in respect of 85 per cent. or more in principal amount of the Bonds originally issued (which shall for this purpose include any Further Bonds issued prior to the date the Optional Redemption Notice is given).

On the Optional Redemption Date, the Issuer shall redeem the Bonds at their principal amount, together with accrued interest up to (but excluding) the Optional Redemption Date.

(c) *Redemption following non-passing of Shareholder Resolutions*

If the Shareholder Resolutions are not passed on or before the Long-Stop Date, the Issuer may at any time during the period from (but excluding) the Long-Stop Date to (and including) the tenth dealing day following the Long-Stop Date, give notice (a “**Shareholder Event Notice**”) to the Bondholders, the Trustee and the Principal Paying, Transfer and Conversion Agent in accordance with Condition 17 (the “**Shareholder Event Notice Deadline**”) that it will redeem all but not some only of the Bonds on the date falling 3 dealing days (assuming for this purpose that the Relevant Stock Exchange is the Italian Stock Exchange) after the end of the Fair Bond Value Calculation Period (the “**Shareholder Event Redemption Date**”) at the greater of (x) 102 per cent. of their principal amount, together with accrued but unpaid interest to (but excluding) the Shareholder Event Redemption Date and (y) 102 per cent. of the Fair Bond Value of the Bonds, together with accrued but unpaid interest to (but excluding) the Shareholder Event Redemption Date.

“**Fair Bond Value**” means the price calculated by an Independent Adviser as being the average of the prices of a Bond at the close of business on each dealing day during the Fair Bond Value Calculation Period.

“**Fair Bond Value Calculation Period**” means the period of 5 consecutive dealing days commencing on the dealing day following the date of the Shareholder Event Notice.

“**Shareholder Resolutions**” means one or more resolutions duly passed, approved or adopted at a general meeting of Shareholders approving and confirming the increase in share capital of the Issuer and disapplication (for the purposes of the relevant capital increase) of any preferential subscription rights to enable the issue of a sufficient number of new Ordinary Shares to satisfy the exercise of Conversion Rights in full (assuming a Physical Settlement Notice has been given and on the basis that a number of new Ordinary Shares equal to the Reference Shares relating to all outstanding Bonds are issuable upon conversion).

(d) *Redemption for Taxation Reasons*

At any time the Issuer may, having given not less than 30 nor more than 60 days’ notice (a “**Tax Redemption Notice**”) to the Bondholders in accordance with Condition 17, the Trustee and the Principal Paying, Transfer and Conversion Agent redeem (subject to the second following paragraph) all but not some only of the Bonds for the time being outstanding on the date (the “**Tax Redemption Date**”) specified in the Tax Redemption Notice at their principal amount, together with accrued but unpaid interest to (but excluding) such date, if (i) the Issuer has or will become obliged to pay additional amounts on the Bonds pursuant to Condition 9 as a result of any change in, or amendment to, the laws or regulations of Italy or any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 17 April 2020, and (ii) such obligation cannot be avoided by the Issuer, taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Bonds then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Trustee (a) a certificate signed by an Authorised Signatory of the Issuer stating that the obligation referred to in (i) above cannot be avoided by the Issuer taking reasonable measures available to it and (b) an opinion of

independent legal or tax advisers of recognised international standing to the effect that such change or amendment has occurred and that the Issuer has or will be obliged to pay such additional amounts as a result thereof (irrespective of whether such amendment or change is then effective) and the Trustee shall be entitled to accept such certificate and opinion without any liability for so doing as sufficient evidence of the matters set out in (i) and (ii) above, in which event such certificate and opinion shall be conclusive and binding on the Bondholders.

On the Tax Redemption Date the Issuer shall (subject to the next following paragraph) redeem the Bonds at their principal amount, together with accrued but unpaid interest to (but excluding) such date.

If the Issuer gives a Tax Redemption Notice, each Bondholder will have the right to elect that his Bonds shall not be redeemed and that the provisions of Condition 9 shall not apply in respect of any payment of interest to be made on such Bonds which falls due after the relevant Tax Redemption Date, whereupon no additional amounts shall be payable in respect thereof pursuant to Condition 9 and payment of all amounts of such interest on such Bonds shall be made subject to the deduction or withholding of any Italian taxation required to be withheld or deducted. To exercise such right, the holder of the relevant Bond must complete, sign and deposit at the specified office of any Paying, Transfer and Conversion Agent a duly completed and signed notice of election, in the form for the time being current, obtainable from the specified office of any Paying, Transfer and Conversion Agent (or such other form as is acceptable to the Paying, Transfer and Conversion Agent) together with the relevant Bonds on or before the day falling 10 days prior to the Tax Redemption Date. If such delivery is made after the end of normal business hours or on a day which is not a business day in the place of the specified office of the relevant Paying, Transfer and Conversion Agent, such delivery shall be deemed for all purposes of these Conditions to have been made on the next following such business day. Any Bond so deposited shall be returned by the relevant Paying, Transfer and Conversion Agent to the relevant Bondholder on the Tax Redemption Date endorsed to reflect the election made by such Bondholder, provided that if the deposited Bond becomes immediately due and payable before that date, the Paying, Transfer and Conversion Agent concerned shall mail the Bond by uninsured post to, and at the risk and expense of, the relevant Bondholder.

References in this Condition 7(d) to Italy shall be deemed also to refer to any jurisdiction in respect of which any undertaking or covenant equivalent to that in Condition 9 is given pursuant to Clause 14 of the Trust Deed (except that as regards such jurisdiction the words “becomes effective on or after 17 April 2020” in this Condition 7(d) above shall be replaced with the words “becomes effective after, and has not been announced on or before, the date on which any undertaking or covenant equivalent to that in Condition 9 was given pursuant to the Trust Deed”) and references in this Condition 7(d) to additional amounts payable under Condition 9 shall be deemed also to refer to additional amounts payable under any such undertaking or covenant.

(e) *Optional Redemption, Shareholder Event Notice and Tax Redemption Notices*

The Issuer shall not give an Optional Redemption Notice or Tax Redemption Notice at any time during a Relevant Event Period or an Offer Period or which specifies a date for redemption falling in a Relevant Event Period or an Offer Period or the period of 21 days following the end of a Relevant Event Period or Offer Period (whether or not the relevant notice was given prior to or during such Relevant Event Period or Offer Period), and any such notice shall be invalid and of no effect (whether or not given prior to the relevant Relevant Event Period or Offer Period) and the relevant redemption shall not be made.

Any Optional Redemption Notice, Shareholder Event Notice or Tax Redemption Notice shall be irrevocable. Any such notice shall specify (i) the Optional Redemption Date, the Shareholder Event Redemption Date or, as the case may be, the Tax Redemption Date which shall be a Milan business day and, the price at which the Bonds will be redeemed, (ii) the Conversion Price, the aggregate principal amount of the Bonds outstanding and the Closing Price of the Ordinary Shares, in each case as at the latest practicable date prior to the publication of the Optional Redemption Notice, Shareholder Event Notice or, as the case may be, the Tax Redemption Notice and (iii) the last day on which Settlement Rights or, as the case may be, Conversion Rights may be exercised by Bondholders.

“**Offer Period**” means (i) any period commencing on the date of first public announcement of an offer or tender (howsoever described) by any person or persons in respect of all or a majority of the issued and outstanding Ordinary Shares and ending on the date that offer or tender ceases to be open for acceptance or, if earlier, on which that offer or tender lapses or terminates or is withdrawn or (ii) any period commencing on the date of first public announcement of a Scheme of Arrangement relating to the acquisition of all or a majority of the issued and outstanding Ordinary Shares and ending on the date such Scheme of Arrangement is or becomes effective or, if earlier, the date such Scheme of Arrangement is cancelled or terminated.

*(f) Redemption at the Option of Bondholders upon a Change of Control or Free Float Event*

Following the occurrence of a Change of Control or Free Float Event, the holder of each Bond will have the right to require the Issuer to redeem that Bond on the Put Date at its principal amount, together with accrued and unpaid interest to (but excluding) such date. To exercise such right, the holder of the relevant Bond must deliver such Bond to the specified office of any Paying, Transfer and Conversion Agent, together with a duly completed and signed notice of exercise in the form for the time being current obtainable from the specified office of any Paying, Transfer and Conversion Agent (or such other form as is acceptable to the Paying, Transfer and Conversion Agent) (a “**Put Exercise Notice**”), at any time during the Relevant Event Period. If such delivery is made after the end of normal business hours or on a day which is not a business day in the place of the specified office of the relevant Paying, Transfer and Conversion Agent, such delivery shall be deemed for all purposes of these Conditions to have been made on the next following such business day. The “**Put Date**” shall be the fourteenth day after the expiry of the Relevant Event Period.

Payment in respect of any such Bond shall be made on the Put Date by transfer to a euro account with a bank in a city in which banks have access to the TARGET System as specified by the relevant Bondholder in the relevant Put Exercise Notice.

A Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall, subject as provided above, redeem all Bonds the subject of Put Exercise Notices delivered as aforesaid on the Put Date.

*(g) Purchase*

Subject to the requirements (if any) of any stock exchange or securities market on which the Bonds may be admitted to listing and trading at the relevant time and subject to compliance with applicable laws and regulations, the Issuer or any Subsidiary of the Issuer may at any time purchase any Bonds in the open market or otherwise at any price. The Bonds so purchased, while held by or on behalf of the Issuer or any of its Subsidiaries, shall not entitle the holder to vote at any meetings of the Bondholders and shall be deemed not to be outstanding for the purposes of (among other things) calculating quorums at meetings of the Bondholders or for the purposes of Condition 14.

(h) *Cancellation*

All Bonds which are redeemed or in respect of which Conversion Rights or Settlement Rights are exercised will be cancelled and may not be reissued or resold. Subject to the requirements (if any) of any stock exchange or securities market on which the Bonds may be admitted to listing and/or trading at the relevant time and subject to compliance with all applicable laws and regulations, Bonds purchased by the Issuer or any of its Subsidiaries may be held or re-sold by the Issuer or submitted for cancellation by the Issuer or its Subsidiaries, in each case, at the Issuer's discretion.

(i) *Multiple Notices*

If more than one notice of redemption is given pursuant to this Condition 7, the first of such notices to be given shall prevail, save that a notice given pursuant to Condition 7(f) shall prevail over a notice given pursuant to Condition 7(b) or 7(c) in circumstances where the Put Date falls prior to the Optional Redemption Date or Tax Redemption Date, as the case may be.

## 8 **Payments**

(a) *Principal*

Subject as otherwise provided in these Conditions, payments of principal and interest in respect of the Bonds will be made to the persons shown in the Register at the close of business on the Record Date.

(b) *Other amounts*

Payments of all amounts will be made as provided in these Conditions.

(c) *Record Date*

“**Record Date**” means the fifth business day, in the place of the specified office of the Registrar, before the due date for the relevant payment. All payments in respect of Bonds represented by the Global Bond will be made to, or to the order of, the person whose name is entered in the Register at the close of business on the Clearing System Business Day immediately prior to the date of payment, where “Clearing System Business Day” means Monday to Friday inclusive except 25 December and 1 January, and the term “Record Date” shall be construed accordingly.

(d) *Payments*

Each payment in respect of the Bonds pursuant to Condition 8(a) and 8(b) will be made by transfer to a euro account maintained by the payee with a bank in a city in which banks have access to the TARGET System.

(e) *Payments subject to fiscal laws*

All payments in respect of the Bonds are subject in all cases (i) to any applicable fiscal or other laws and regulations applicable thereto in the place of payment but without prejudice to Condition 9 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code and any regulations or agreements thereunder or official interpretations thereof (“**FATCA**”) or any law implementing an intergovernmental approach to FATCA.

(f) *Delay in payment*

Bondholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due as a result of the due date not being TARGET Business Day.

(g) *Business Days*

In this Condition, “business day” means a day (other than a Saturday or Sunday) on which the TARGET System is operating.

(h) *Paying, Transfer and Conversion Agents, etc.*

The initial Paying, Transfer and Conversion Agents and Registrar and their initial specified offices are listed below. The Issuer reserves the right under the Agency Agreement at any time, with the prior written approval of the Trustee, to vary or terminate the appointment of any Paying, Transfer and Conversion Agent or the Registrar and appoint additional or other Paying, Transfer and Conversion Agents or another Registrar, provided that the Issuer will (i) maintain a Principal Paying, Transfer and Conversion Agent, and (ii) maintain a Registrar with a specified office outside the United Kingdom. Notice of any change in the Paying, Transfer and Conversion Agents or the Registrar or their specified offices will promptly be given by the Issuer to the Bondholders in accordance with Condition 17, the Trustee and the Principal Paying, Transfer and Conversion Agent. The Issuer reserves the right, subject to the prior written approval of the Trustee, under the Calculation Agency Agreement at any time to vary or terminate the appointment of the Calculation Agent and appoint additional or other Calculation Agents, provided that it will maintain a Calculation Agent which shall be a financial institution of international repute or a financial adviser with appropriate expertise. Notice of any change in the Calculation Agent will promptly be given by the Issuer to Bondholders in accordance with Condition 17, the Trustee and the Principal Paying, Transfer and Conversion Agent.

(i) *No charges*

Neither the Registrar nor the Paying, Transfer and Conversion Agents shall make or impose on a Bondholder any charge or commission in relation to any payment, transfer or conversion in respect of the Bonds.

(j) *Fractions*

When making payments to Bondholders, if the relevant payment is not of an amount which is a whole multiple of the smallest unit of the relevant currency in which such payment is to be made, such payment will be rounded down to the nearest unit.

The Bonds on issue will be represented by a global bond (the “**Global Bond**”) registered in the nominee name of a common depository and held by such common depository for Euroclear Bank SA/NV (“**Euroclear**”) and/or Clearstream Banking S.A. (“**Clearstream, Luxembourg**”).

## 9 **Taxation**

All payments made by or on behalf of the Issuer in respect of the Bonds shall be made free from any restriction or condition and be made without deduction or withholding for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by, or on behalf of, Italy or any political subdivision or any authority thereof or therein having power to tax, unless deduction or withholding of such taxes, duties, assessments or governmental charges is required to be made by law.

In the event that any such withholding or deduction is required to be made, the Issuer will pay such additional amounts as will result in the receipt by the Bondholders of the amounts which would otherwise have been receivable had no such withholding or deduction been required, except that no such additional amount shall be payable in relation to any payment in respect of any Bond:

- (a) to a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of his having some connection with Italy otherwise than merely by holding the Bond or by the receipt of any amounts in respect of the Bond; or
- (b) to a holder who is entitled to avoid such withholding or deduction in respect of the Bond by making a declaration or any other statement to the relevant tax authority, including, but not limited to, a declaration of residence or non-residence or other similar claim for exemption; or
- (c) for or on account of any Taxes payable in respect of *imposta sostitutiva* pursuant to Italian Decree No. 239 of 1 April 1996, as amended, restated or supplemented from time to time (“**Decree 239**”), or payable pursuant to Italian Decree No. 461 of 21 November 1997, as amended, restated or supplemented from time to time, to the extent applicable; or
- (d) in all circumstances in which the procedures to obtain an exemption from *imposta sostitutiva* set forth in Decree 239 have not been met or complied with, except where such procedures have not been met or complied with due to actions or omissions of the Issuer.

References in these Conditions to principal and/or interest and/or any other amounts payable in respect of the Bonds shall be deemed also to refer to any additional amounts which may be payable under this Condition or any undertaking or covenant given in addition thereto or in substitution therefor pursuant to the Trust Deed.

The requirement to pay additional amounts under this Condition 9 shall not apply in respect of any payments of interest which fall due after the relevant Tax Redemption Date in respect of any Bonds which are the subject of a Bondholder election pursuant to Condition 7(d).

Notwithstanding any other provision of these Conditions, in no event will the Issuer be required to pay any additional amounts in respect of the Bonds for, or on account of, any withholding or deduction required pursuant to FATCA (including pursuant to any agreement described in Section 1471(b) of the Code) or any law implementing an intergovernmental approach to FATCA.

## 10 Events of Default

If any of the following events (each (together with, where applicable, the certification by the Trustee as referred to below) an “**Event of Default**”) occurs and is continuing, the Trustee at its discretion may, and if so requested by the holders of at least one-quarter in principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution and provided in each case that it is indemnified and/or secured and/or prefunded to its satisfaction shall, give notice to the Issuer that the Bonds are, and they shall accordingly immediately become due and repayable at their principal amount together with accrued interest (if any) up to (but excluding) the date of payment:

- (a) **Non-Payment:** the Issuer fails to pay the principal of or any interest on or any other amount in respect of any of the Bonds when due and such failure continues for a period of 7 days in the case of principal or any other amount (other than interest) and 14 days in the case of interest; or
- (b) **Non-delivery of Ordinary Shares:** the Issuer fails to deliver Ordinary Shares (including any Additional Ordinary Shares) when required to do so upon exercise of Conversion Rights and such failure continues for a period of 7 days; or
- (c) **Breach of Other Obligations:** the Issuer does not perform, comply with or observe any one or more of its other obligations under the Bonds or the Trust Deed and, except where such default is, in the opinion of the Trustee, incapable of remedy (when no such continuation or notice as is hereinafter mentioned will be required), such default continues for 60 days (or such longer period as the Trustee may permit in

its sole discretion) after notice thereof shall have been given to the Issuer by the Trustee requiring the same to be remedied; or

- (d) **Cross-Acceleration:** (i) any present or future indebtedness of the Issuer or any of its Subsidiaries for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or (ii) any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period, or (iii) the Issuer or any of its Subsidiaries fails to pay when due (or within any originally applicable grace period) any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised, provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 10(d) have occurred equals or exceeds the greater of (i) €100 million or its equivalent (on the basis of the middle spot rate for the relevant currency against the euro as quoted by any leading bank on the day on which this paragraph operates) and (ii) 22% of the Consolidated Pro Forma EBITDA; or
- (e) **Enforcement Proceedings:** (a) a court having jurisdiction in the premises enters a decree or order for (i) relief in respect of the Issuer or any of its Material Subsidiaries or a group of Subsidiaries that, taken together (as of the latest audited consolidated financial statements of the Issuer and its Subsidiaries), would constitute a Material Subsidiary in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, (ii) appointment of a receiver, liquidator, assignee, custodian, trustee, examiner, administrator, sequestration or similar official of the Issuer or any of its Material Subsidiaries or a group of Subsidiaries that, taken together (as of the latest audited consolidated financial statements of the Issuer and its Subsidiaries), would constitute a Material Subsidiary or for all or substantially all of the property and assets of the Issuer or any of its Material Subsidiaries or a group of Subsidiaries that, taken together (as of the latest audited consolidated financial statements of the Issuer and its Subsidiaries), would constitute a Material Subsidiary or (iii) the winding up or liquidation of the affairs of the Issuer or any of its Material Subsidiaries or a group of Subsidiaries that, taken together (as of the latest audited consolidated financial statements of the Issuer and its Subsidiaries), would constitute a Material Subsidiary and, in each case, such decree or order shall remain unstayed and in effect for a period of 30 consecutive days; or (b) the Issuer or any of its Material Subsidiaries or a group of Subsidiaries that, taken together (as of the latest audited consolidated financial statements of the Issuer and its Subsidiaries), would constitute a Material Subsidiary (i) commences a voluntary case (including taking any action for the purpose of winding up) under any applicable bankruptcy, insolvency, examination, court protection or other similar law now or hereafter in effect, or consents to the entry of an order for relief in an involuntary case under any such law, (ii) consents to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, examiner, administrator, sequestration or similar official of the Issuer or any of its Material Subsidiaries or a group of Subsidiaries that, taken together (as of the latest audited consolidated financial statements of the Issuer and its Subsidiaries), would constitute a Material Subsidiary or for all or substantially all of the property and assets of the Issuer or any of its Material Subsidiaries or a group of Subsidiaries that, taken together (as of the latest audited consolidated financial statements of the Issuer and its Subsidiaries), would constitute a Material Subsidiary or (iii) effects any general assignment for the benefit of creditors, except in any such case in respect of (b)(i)-(iii), as a result of or in connection with or for the purposes of a substitution of a Successor in Business in place of the Issuer (or any previous substitute under these Conditions) pursuant to these Conditions following and in respect of a Permitted Merger; or
- (f) **Authorisation and Consents:** any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under the Bonds, (ii) to ensure that those



obligations are legally binding and enforceable, and (iii) to make the Bonds admissible in evidence in the courts of England or Italy is not taken, fulfilled or done; or

- (g) **Illegality:** it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Bonds; or
- (h) **Cessation of business:** if the Issuer or any of its Subsidiaries ceases (or, through an official action of the Board of Directors of the Issuer or any such Subsidiary, threatens by expressing a clear and unequivocal intention to cease) in one or more related transactions, to carry on business or businesses which together comprise all or substantially all of the business of the Issuer and its Subsidiaries taken as a whole, except for the purposes of, or pursuant to, a Permitted Merger; or
- (i) **Analogous Events:** any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs of this Condition 10.

provided that in the case of any event as is specified in (1) paragraphs (c), (f) or (g) (2) (in relation to a Material Subsidiary or group of Subsidiaries that together constitute a Material Subsidiary only) paragraph (e) or (3) paragraph (i) (insofar as such analogous event relates to any of the events mentioned in relation to paragraph (c), (f) or (g) or, in relation to a Material Subsidiary or group of Subsidiaries that together constitute a Material Subsidiary only, (e)), the Trustee shall have certified in writing to the Issuer that in its opinion such event is materially prejudicial to the interests of the Bondholders.

## 11 Undertakings

- (a) The Issuer undertakes to convene a general meeting of the Issuer, to be held not later than the Long-Stop Date, and to put to the Shareholders for approval at such meeting one or more resolutions to approve and confirm the increase in share capital of the Issuer and disapplication (for the purposes of the relevant capital increase) of any preferential subscription rights to enable the issue of a sufficient number of new Ordinary Shares to satisfy the exercise of Conversion Rights in full (assuming a Physical Settlement Notice has been given and on the basis that a number of new Ordinary Shares equal to the Reference Shares relating to all outstanding Bonds are issuable upon conversion).
- (b) The Issuer undertakes to use all reasonable endeavours to obtain by not later than the date falling 90 days after the Closing Date and thereafter maintain the admission to trading of the Bonds on the Vienna MTF operated by the Vienna Stock Exchange (or another internationally recognised, regularly operating, regulated or non-regulated, stock exchange or securities market in an OECD State) as determined by the Issuer provided that if the Issuer is unable to maintain such admission to trading as aforesaid, the Issuer undertakes to use all reasonable endeavours to obtain and maintain a listing and/or admission to trading for the Bonds on such other internationally recognised, regularly operating, regulated or non-regulated, stock exchange or securities market in an OECD State as the Issuer may from time to time determine. The Issuer will forthwith give notice to the Bondholders in accordance with Condition 17 and to the Trustee of the listing or delisting of the Bonds by any of such stock exchanges or securities markets.
- (c) Whilst any Settlement Right or Conversion Right remains exercisable, the Issuer will, save with the approval of an Extraordinary Resolution or with the prior written approval of the Trustee where, in its opinion, it is not materially prejudicial to the interests of the Bondholders to give such approval:
  - (i) not issue or pay up any Securities, in either case by way of capitalisation of profits or reserves, other than:
    - (A) pursuant to a Scheme of Arrangement involving a reduction and cancellation of Ordinary Shares and the issue to Shareholders of an equal number of Ordinary Shares by way of capitalisation of profits or reserves; or

- (B) pursuant to a Newco Scheme; or
- (C) by the issue of fully paid Ordinary Shares or other Securities to Shareholders and other holders of shares in the capital of the Issuer which by their terms entitle the holders thereof to receive Ordinary Shares or other Securities on a capitalisation of profits or reserves; or
- (D) by the issue of fully paid Ordinary Shares, issued wholly, ignoring fractional entitlements, in lieu of the whole or part of a Dividend in cash; or
- (E) by the issue of Ordinary Shares or any equity share capital to, or for the benefit of, employees or former employees, director or executive holding or formerly holding executive office (including directors holding or formerly holding executive office or non-executive office, consultants or former consultants or the personal service company of any such person) or their spouses or relatives, in each case of the Issuer or any of its Subsidiaries or any associated company or to a trustee or nominee to be held for the benefit of any such person, in any such case pursuant to an employee, director or executive share or option or incentive scheme (a “**Permitted Issue**”),

unless, in any such case, the same constitutes a Dividend or otherwise falls to be taken into account for a determination as to whether an adjustment is to be made to the Conversion Price pursuant to Condition 6(b), regardless of whether in fact an adjustment falls to be made in respect of the relevant capitalisation, gives rise (or would, but for the provisions of Condition 6(f) relating to roundings and minimum adjustments or the carry forward of adjustments, give rise) to an adjustment to the Conversion Price;

- (ii) not modify the rights attaching to the Ordinary Shares with respect to voting, dividends or liquidation nor issue any other class of equity share capital carrying any rights which are more favourable than the rights attaching to the Ordinary Shares but so that nothing in this Condition 11(c) shall prevent:
  - (A) any consolidation, reclassification, redesignation or subdivision of the Ordinary Shares; or
  - (B) any modification of such rights which is not, in the opinion of an Independent Adviser, acting in good faith materially prejudicial to the interests of the holders of the Bonds; or
  - (C) any issue of equity share capital where the issue of such equity share capital results, or would, but for the provisions of Condition 6(f) relating to roundings and minimum adjustments or the carry forward of adjustments or, where comprising Ordinary Shares, the fact that the consideration per Ordinary Share receivable therefor is at least 95 per cent. of the Current Market Price per Ordinary Share at the relevant time for determination thereof pursuant to the relevant provisions of Condition 6(b), otherwise result, in an adjustment to the Conversion Price; or
  - (D) any issue of equity share capital or modification of rights attaching to the Ordinary Shares, where prior thereto the Issuer shall have instructed an Independent Adviser to determine what (if any) adjustments should be made to the Conversion Price as being fair and reasonable to take account thereof and such Independent Adviser shall have determined in good faith either that no adjustment is required or that an adjustment resulting in a decrease in the Conversion Price is required and, if so, the new Conversion Price as a result thereof and the basis upon which such adjustment is to be made and, in any such case, the date on which the adjustment shall take effect (and so that the adjustment shall be made and shall take effect accordingly); or

- (E) any alteration to the by-laws made in connection with the matters described in this Condition 11 or which is supplemental or incidental to any of the foregoing (including any amendment made to enable or facilitate procedures relating to such matters and any amendment dealing with the rights and obligations of holders of Securities, including Ordinary Shares, dealt with under such procedures); or
  - (F) any amendment of the by-laws (or other constitutional document) of the Issuer following or in connection with a Change of Control to ensure that any Bondholder exercising Conversion Rights where the Conversion Date falls on or after the occurrence of a Change of Control will receive, in whatever manner, the same consideration for the Ordinary Shares arising on such exercise as it would have received in respect of any Ordinary Shares had such Ordinary Shares been entitled to participate in the relevant Scheme of Arrangement or to have been submitted into, and accepted pursuant to, the relevant offer or tender (a “**Change of Control Conversion Right Amendment**”); or
  - (G) a Permitted Issue;
- (iii) except as part of or in connection with or pursuant to any employee, director or executive share or option of incentive scheme, procure that no Securities (whether issued by the Issuer or any Subsidiary of the Issuer or procured by the Issuer or any Subsidiary of the Issuer to be issued or issued by any other person pursuant to any arrangement with the Issuer or any Subsidiary of the Issuer) issued without rights to convert into, or exchange or subscribe for, Ordinary Shares shall subsequently be granted such rights exercisable at a consideration per Ordinary Share which is less than 95 per cent. of the Current Market Price per Ordinary Share at the relevant time for determination thereof pursuant to the relevant provisions of Condition 6(b) unless the same gives rise (or would, but for the provisions of Condition 6(f) relating to roundings and minimum adjustments or the carry forward of adjustments, give rise) to an adjustment to the Conversion Price and that at no time shall there be in issue Ordinary Shares of differing nominal values, save where such Ordinary Shares have the same economic rights:
  - (iv) not make any issue, grant or distribution or take or omit to take any other action if the effect thereof would be that, on the exercise of Conversion Rights, Ordinary Shares could not, under any applicable law then in effect, be legally issued as fully paid;
  - (v) not reduce its issued share capital, share premium account, or any uncalled liability in respect thereof, or any non-distributable reserves, except:
    - (A) pursuant to the terms of issue of the relevant share capital; or
    - (B) by means of a purchase or redemption of share capital of the Issuer to the extent permitted by applicable law; or
    - (C) where the reduction does not involve any distribution of assets to Shareholders; or
    - (D) solely in relation to a change in the currency in which the nominal value of the Ordinary Shares is expressed; or
    - (E) to create distributable reserves; or
    - (F) pursuant to a Scheme of Arrangement involving a reduction and cancellation of Ordinary Shares and the issue to Shareholders of an equal number of Ordinary Shares by way of capitalisation of profits or reserves; or
    - (G) as provided in Condition 11(b)(i); or

- (H) pursuant to a Newco Scheme; or
- (I) by way of transfer to reserves as permitted under applicable law; or
- (J) where the reduction is permitted by applicable law and the Trustee, acting on the advice of an Independent Adviser (acting as an expert and in good faith and upon which advice the Trustee may rely absolutely and without liability), determines that in its opinion the interests of the Bondholders will not be materially prejudiced by such reduction; or
- (K) where the reduction is permitted by applicable law and results (or, in the case of a reduction in connection with a Change of Control, will result) in (or would, but for the provisions of Condition 6(f) relating to roundings or the carry forward of adjustments, result in) an adjustment to the Conversion Price or is (or, in the case of a reduction in connection with a Change of Control, will be) otherwise taken into account for the purposes of determining whether such an adjustment should be made; or

provided that, without prejudice to the other provisions of these Conditions, the Issuer may exercise such rights as it may from time to time be entitled pursuant to applicable law to purchase, redeem or buy back its Ordinary Shares and any depositary or other receipts or certificates representing Ordinary Shares without the consent of Bondholders;

- (vi) if any offer is made to all (or as nearly as may be practicable all) Shareholders (or all (or as nearly as may be practicable all) Shareholders other than the offeror and/or any parties acting together with the offeror or any associate of the offeror to acquire the whole or any part of the issued Ordinary Shares, or if any person proposes a scheme with regard to such acquisition (other than a Newco Scheme), give notice, unless prohibited by applicable law, of such offer or scheme to the Trustee and, in accordance with Condition 17, the Bondholders at the same time as any notice thereof is sent to the Shareholders (or as soon as practicable thereafter) that details concerning such offer or scheme may be obtained from the specified offices of the Paying, Transfer and Conversion Agents and, where such an offer or scheme has been recommended by the board of directors of the Issuer, or where such an offer has become or been declared unconditional in all respects or such scheme has become effective, use all reasonable endeavours to procure that a like offer or scheme is extended to Bondholders and to the holders of any Ordinary Shares issued during the period of the offer or scheme arising out of the exercise of the Conversion Rights pursuant to these Conditions (which like offer or scheme to Bondholders shall entitle Bondholders to receive the same type and amount of consideration they would have received had they held the number of Ordinary Shares to which such Bondholders would be entitled assuming Bondholders were to exercise Conversion Rights in the relevant Relevant Event Period);
- (vii) in the event of a Newco Scheme, take (or shall procure that there is taken) all necessary action to ensure that (to the satisfaction of the Trustee) immediately after completion of the Scheme of Arrangement:
  - (A) at the Issuer's option, either (a) Newco is substituted under the Bonds and the Trust Deed as principal obligor in place of the Issuer (with the Issuer providing a guarantee); or (b) Newco becomes a guarantor under the Bonds and the Trust Deed;
  - (B) such amendments are made to these Conditions and the Trust Deed as are advised to the Trustee by the Independent Adviser, acting as an expert and in good faith, are necessary to ensure that the Bonds may be converted into or exchanged for cash and/or ordinary shares or units or the equivalent in Newco (or depositary or other receipts or certificates

representing ordinary shares or units or the equivalent in Newco) and/or a Cash Alternative Amount *mutatis mutandis* in accordance with and subject to these Conditions;

- (C) the ordinary shares or units or equivalent of Newco (or depositary or other receipts or certificates representing ordinary shares or units or equivalents of Newco) are admitted to trading on a regulated, regularly operating, recognised stock exchange or securities market in an OECD State as determined by Newco;
- (D) the Trustee shall receive legal opinion(s) addressed to the Trustee from legal advisers of recognised national or international standing in a form satisfactory to it and including (without limitation) as to due capacity of Newco and of the Issuer and confirming that the obligations to be assumed by Newco, and as the case may be any obligations to be assumed at such time by the Issuer, under the Trust Deed (or any supplemental trust deed) are legal, valid and binding under the laws of England; and
- (E) the Trust Deed and the Conditions provide at least the same or equivalent powers, protections, rights, discretions and benefits to the Trustee and the Bondholders following the implementation of such Newco Scheme as they provided to the Trustee and the Bondholders immediately prior to the implementation of the Newco Scheme, *mutatis mutandis*,

The Trustee shall (at the expense and direction of the Issuer) be obliged to concur in using its reasonable endeavours to effect such substitution or grant of such guarantee and in either case making any such amendments as specified by the Independent Adviser and approved by the Trustee, provided that the Trustee shall not be obliged so to concur if, in the opinion of the Trustee, doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the rights and/or protective provisions afforded to the Trustee in these Conditions, the Trust Deed or the Agency Agreement (including, for the avoidance of doubt, any supplemental trust deed or supplemental agency agreement) in any way.

- (viii) use all reasonable endeavours to ensure that the Ordinary Shares issued upon exercise of Conversion Rights, if any, will, as soon as is practicable, be admitted to listing and to trading on the Relevant Stock Exchange and will be listed, quoted or dealt in, as soon as is practicable, on any other stock exchange or securities market on which the Ordinary Shares may then be listed or quoted or dealt in (but so that this undertaking shall be considered as not being breached as a result of a Change of Control (whether or not recommended or approved by the board of directors of the Issuer) that causes or gives rise to, whether following the operation of any applicable compulsory acquisition provision or otherwise, (including at the request of the person or persons controlling the Issuer as a result of the Change of Control) a de-listing of the Ordinary Shares);
- (ix) use all reasonable endeavours to ensure, at its own cost, that its issued and outstanding Ordinary Shares are admitted to listing on a regulated, regularly operating, recognised stock exchange or securities market in an OECD State (but so that this undertaking shall be considered as not being breached as a result of a Change of Control (whether or not recommended or approved by the Board of Directors of the Issuer) that causes or gives rise to, whether following the operation of any applicable compulsory acquisition provision or otherwise, (including at the request of the person or persons controlling the Issuer as a result of the Change of Control) a de-listing of the Ordinary Shares);
- (x) at all times following the giving of a Physical Settlement Notice keep available for issue or delivery, free from pre-emptive rights out of its authorised but unissued capital, sufficient authorised but unissued Ordinary Shares (after taking account as appropriate of Ordinary Shares

held by the Issuer in treasury and which are available for delivery as aforesaid and cash available to the Issuer) to enable the exercise of all Conversion Rights, and all rights of subscription and exchange for Ordinary Shares, to be satisfied in full;

- (xi) procure that it shall not become domiciled or resident in or subject generally to the taxing authority of any jurisdiction (other than Italy) unless it would not thereafter be required pursuant to then current laws and regulations to withhold or deduct for or on account of any taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of such jurisdiction or any applicable sub-division thereof or therein having power to tax in respect of any payment on or in respect of the Bonds; and
- (xii) by no later than the Closing Date (i) publish a copy of these Conditions (including a legend regarding the intended target market for the Bonds) on its website and (ii) thereafter (and for so long as any of the Bonds remain outstanding) maintain the availability of these Conditions (as the same may be amended in accordance with their terms) on such website.

The Issuer has undertaken in the Trust Deed to deliver to the Trustee annually and otherwise on request by the Trustee a certificate of an Authorised Signatory of the Issuer, as to there not having occurred an Event of Default or Potential Event of Default since the date of the last such certificate or if such event has occurred as to the details of such event and that the Issuer has complied with all its obligations under the Trust Deed and the Bonds or (if such is not the case) specifying the respects in which it has not complied. The Trustee will be entitled to rely on such certificate (without enquiry or liability to any person) and shall not be obliged to independently monitor compliance by the Issuer with the undertakings set forth in this Condition 11, nor be liable to any person for not so doing.

## 12 **Prescription**

Claims against the Issuer for payment in respect of the Bonds shall be prescribed and become void unless made within 10 years (in the case of principal or any other amount (other than interest)) or five years (in the case of interest) from the appropriate Relevant Date in respect of such payment.

Claims in respect of any other obligation in respect of the Bonds, including delivery of Ordinary Shares, shall be prescribed and become void unless made within 10 years following the due date for performance of the relevant obligations.

## 13 **Replacement of Bonds**

If any Bond is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of any Paying, Transfer and Conversion Agent subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Bonds must be surrendered before replacements will be issued.

## 14 **Meetings of Bondholders, Bondholders' Representative, Modification and Waiver, Substitution**

### (a) *Meetings of Bondholders*

The Trust Deed contains provisions for convening meetings of Bondholders to consider any matter affecting their interests relating to the Bonds including provisions governing the passing of resolutions by Bondholders and the modification of any provisions of these Conditions or the Trust Deed.

All meetings of Bondholders are held in accordance with applicable provisions of Italian law (including, without limitation, the Legislative Decree no. 58 of 24 February 1998, as amended) in force at the time and the Issuer's by-laws in force from time to time. Meetings can be held in a single meeting or in multiple meetings, pursuant to Italian law.

A meeting may be convened by the Board of Directors of the Issuer, any Bondholders' representative (*rappresentante comune*) appointed pursuant to Articles 2415 and 2417 of the Italian Civil Code or, subject to any mandatory provision of Italian law, the Trustee and shall be convened by any of them (subject in the case of the Trustee to it being indemnified and/or secured and/or prefunded to its satisfaction) upon the request in writing of Bondholders holding not less than one-twentieth of the aggregate principal amount of the outstanding Bonds.

If the meeting has not been convened following such request of the Bondholders, any Bondholders' representative or the Trustee, the same may be convened by a decision of a competent court in accordance with Article 2367 of the Italian Civil Code. Every such meeting shall be held at such time and place as provided pursuant to Article 2363 of the Italian Civil Code and the by-laws of the Issuer in force from time to time.

A meeting of Bondholders will be validly held provided that there are one or more persons present, being or representing Bondholders holding:

- (i) in the case of the first meeting, at least one half of the aggregate principal amount of the outstanding Bonds; or
- (ii) in the case of a second meeting following adjournment of the first meeting for want of quorum, more than one third of the aggregate principal amount of the outstanding Bonds; or
- (iii) in the case of any subsequent meeting following any further adjournments for want of quorum or single meeting (*convocazione unica*), as the case may be, at least one fifth of the aggregate principal amount of the outstanding Bonds,

and the resolution will have to be sanctioned by one or more persons holding or representing not less than two thirds of the principal amount of the Bonds represented at the meeting. For the avoidance of doubt, each meeting will be held as a sole call meeting or as a multiple call meeting depending on the applicable provisions of Italian law and the Issuer's by-laws in force from time to time.

Notwithstanding the above, if the business of a meeting of Bondholders includes consideration of any of the following proposals: (i) to change the Maturity Date, the First Call Date (other than deferring the First Call Date) or the dates on which interest is payable in respect of the Bonds, (ii) to reduce the amount of principal or interest payable in respect of the Bonds or to alter the method of calculating the amount of any payment in respect of the Bonds on redemption or maturity or the date for any such payment, (iii) to increase the Conversion Price other than in accordance with these Conditions, (iv) to change the currency of any payment in respect of the Bonds, (v) to modify the provisions relating to, or cancel, the Settlement Rights or Conversion Rights (other than pursuant to or as a result of any amendments to these Conditions made pursuant to and in accordance with the provisions of Condition (vii)(such amendments referred to herein as a "**Newco Scheme Modification**" or in connection with a Permitted Merger pursuant to Condition 6(m)) and other than a reduction to the Conversion Price), or (vi) to modify the circumstances in which the Issuer or Bondholders are entitled to redeem the Bonds pursuant to Condition (b),(c), (d), or (f), (vii) to change the governing law of the Bonds, the Trust Deed, the Agency Agreement or the Calculation Agency Agreement, (viii) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution (as defined below) or any other resolution, (ix) to amend this definition of Reserved Matter or (x) any other matter

provided under Article 2415, paragraph 1, item 2 of the Italian Civil Code (each of the matters referred to in (1) to (x) above, a “**Reserved Matter**”), then the resolution will have to be sanctioned by a resolution (an “**Extraordinary Resolution**”) to be approved in any meeting by the greater of (i) at least one-half of the principal amount of the Bonds for the time being outstanding in accordance with Article 2415, paragraph 3, of the Italian Civil Code and Italian law, and (ii) one or more persons holding or representing not less than two thirds of the principal amount of the Bonds represented at the meeting, provided that the by-laws of the Issuer may from time to time require a higher majority in compliance with Italian law (which shall be indicated in the notice convening the relevant meeting).

No consent or approval of Bondholders shall be required in connection with any Newco Scheme Modification or the substitution of a Successor in Business in connection with a Permitted Merger.

Any resolution duly passed at a meeting of Bondholders shall be binding on all the Bondholders, whether or not they were present at the meeting at which such resolution was passed.

*(b) Bondholders’ Representative*

A representative of the Bondholders (*rappresentante comune*) (the “**Bondholders’ Representative**”), subject to applicable provisions of Italian law, may be appointed pursuant to Articles 2415 and 2417 of the Italian Civil Code in order to represent the Bondholders’ interests under these Conditions and to give effect to resolutions passed at a meeting of the Bondholders. If the Bondholders’ Representative is not appointed by a meeting of such Bondholders, the Bondholders’ Representative shall be appointed by a decree of the court where the Issuer has its registered office at the request of one or more Bondholders or at the request of the Board of Directors of the Issuer. The Bondholders’ Representative shall remain appointed for a maximum period of three years but may be reappointed again thereafter and shall have the powers and duties set out in Article 2418 of the Italian Civil Code.

*(c) Modification and Waiver*

The Trustee may agree, without the consent of the Bondholders, to (i) any modification of any of the provisions of the Trust Deed, any trust deed supplemental to the Trust Deed, the Agency Agreement, any agreement supplemental to the Agency Agreement, the Bonds or these Conditions which in the Trustee’s opinion is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of law, and (ii) any other modification to the Trust Deed, any trust deed supplemental to the Trust Deed, the Agency Agreement, any agreement supplemental to the Agency Agreement, the Bonds or these Conditions (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed, any trust deed supplemental to the Trust Deed, the Agency Agreement, any agreement supplemental to the Agency Agreement, the Bonds or these Conditions which is, in the opinion of the Trustee, not materially prejudicial to the interests of the Bondholders.

The Trustee may, without the consent of the Bondholders, determine that any Event of Default or a Potential Event of Default should not be treated as such, provided that in the opinion of the Trustee, the interests of Bondholders are not materially prejudiced thereby.

Any such modification, authorisation, waiver or determination shall be binding on the Bondholders and, if the Trustee so requires, shall be notified to Bondholders in accordance with Condition 17 as soon as practicable thereafter.



(d) *Substitution*

The Trustee shall (subject as provided in Condition 11(b)(vii)(A), without the consent of the Bondholders, agree any substitution as provided in, and for the purposes of, Condition 11(b)(vii)(A) in connection with a Newco Scheme.

The Trustee shall (subject as provided in Condition 6(m)), without the consent of the Bondholders, agree any substitution as provided in, and for the purposes of, Condition 6(m) in connection with a Permitted Merger.

In addition, the Trustee may agree, without the consent of the Bondholders, to the substitution in place of the Issuer (or any previous substitute or substitutes under this Condition ) as the principal debtor under the Bonds and the Trust Deed of any Subsidiary of the Issuer, subject to (a) the Bonds being unconditionally and irrevocably guaranteed by the Issuer, and (b) the Bonds continuing to be convertible or exchangeable into Ordinary Shares *mutatis mutandis* as provided in these Conditions with such amendments as the Trustee shall consider appropriate, provided that, (x) the Trustee is satisfied that the interests of the Bondholders are not materially prejudiced by the substitution, and (y) certain other conditions set out in the Trust Deed are complied with. In the case of such a substitution the Trustee may agree, without the consent of the Bondholders, to a change of the law governing the Bonds and/or the Trust Deed provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Bondholders.

Any such substitution shall be binding on the Bondholders and shall be notified to Bondholders in accordance with Condition 17 as soon as practicable thereafter.

(e) *Entitlement of the Trustee*

In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Trustee shall have regard to the interests of the Bondholders as a class but shall not have regard to any interests arising from circumstances particular to individual Bondholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of the exercise of its trusts, powers or discretions for individual Bondholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory, and the Trustee shall not be entitled to require, nor shall any Bondholder be entitled to claim, from the Issuer or any other person any indemnification or payment in respect of any tax consequence of any such exercise or substitution upon individual Bondholders, except to the extent provided for in these Conditions or the Trust Deed.

## 15 **Enforcement**

The Trustee may at any time, at its discretion and without notice, take such proceedings, actions or steps (including lodging an appeal in any proceedings) against the Issuer as it may think fit to enforce the provisions of the Trust Deed and the Bonds, but it shall not be bound to take any such proceedings, actions or steps or any other action under or in relation to the Trust Deed or the Bonds unless (i) it shall have been so directed by an Extraordinary Resolution of the Bondholders or so requested in writing by the holders of at least one-quarter in principal amount of the Bonds then outstanding, and (ii) it shall have been indemnified and/or secured and/or prefunded to its satisfaction. Notwithstanding the above:

- (i) the Trustee may refrain from taking any proceedings, actions or steps in any jurisdiction if the taking of such action, proceedings or steps in that jurisdiction would, in its opinion based upon legal advice in the relevant jurisdiction, be contrary to any law of that jurisdiction;

- (ii) the Trustee may refrain from taking any proceedings, actions or steps in any jurisdiction if in its opinion based upon legal advice in the relevant jurisdiction it would or may render it liable to any person in that jurisdiction or, it would or may not have the power to do the relevant thing in that jurisdiction by virtue of any applicable law in that jurisdiction or if it is determined by any court or other competent authority in that jurisdiction that it does not have such power; and
- (iii) the Trustee may refrain without liability from doing anything that would or might in its opinion be contrary to any law of any state or jurisdiction (including but not limited to Italy, the European Union, the United States of America or, in each case, any jurisdiction forming a part of it and England & Wales) or any directive or regulation of any agency of any such state or jurisdiction or which would or might otherwise render it liable to any person or cause it to act in a manner which might prejudice its interests and may without liability do anything which is, in its opinion, necessary to comply with any such law, directive or regulation.

No Bondholder shall be entitled to take any proceedings, actions or steps against the Issuer to enforce the performance of any of the provisions of the Trust Deed or the Bonds (including lodging an appeal in any proceedings) unless the Trustee, having become bound so to take any such proceedings, actions or steps fails or is unable so to do within a period of 60 days and the failure or inability shall be continuing.

## 16 The Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility and liability towards the Issuer and Bondholders, including:

- (i) provisions relieving it from taking any proceedings, actions or steps unless indemnified and/or secured and/or prefunded to its satisfaction; and
- (ii) provisions limiting or excluding its liability in certain circumstances.

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, inter alia, (a) to enter into business transactions with the Issuer and/or any of the Subsidiaries of the Issuer and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any of the Subsidiaries of the Issuer, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Bondholders, and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

The Trust Deed provides that, when determining whether an indemnity or any security or pre-funding is satisfactory to it, the Trustee shall be entitled (i) to evaluate its risk in any given circumstance by considering the worst-case scenario and (ii) to require that any indemnity or security or prefunding given to it by the Bondholders or any of them be given on a joint and several basis and be supported by evidence satisfactory to it as to the financial standing and creditworthiness of each counterparty and/or as to the value of the security and an opinion as to the capacity, power and authority of each counterparty and/or the validity and effectiveness of the security.

The Trustee may act and rely without liability to Bondholders and without investigation on a report, confirmation, certificate, opinion or any advice of any accountants, financial advisers, financial institution, an Independent Adviser or other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or any other person or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to act and rely on any such report, confirmation, certificate, opinion or advice in

which event such report, confirmation, certificate, opinion or advice shall be binding on the Issuer, the Trustee and the Bondholders.

## 17 Notices

Without prejudice to any further formalities and other requirements set out under any applicable Italian laws and regulations and under the Issuer's by-laws, all notices regarding the Bonds will (unless otherwise provided in these Conditions) be valid if published through the electronic communication system of Bloomberg. The Issuer shall also ensure that all notices are duly published (if such publication is required) in a manner which complies with the rules and regulations of any stock exchange, securities market or other relevant authority on which the Bonds are for the time being listed and/or admitted to trading. Any such notice shall be deemed to have been given on the date of such publication or if required to be published in more than one manner or at different times, then such notice shall be deemed to have been given on the date of the first such publication in each required manner and time. If publication as provided above is not practicable, notice will be given in such other manner, and shall be deemed to be given on such date, as the Issuer considers appropriate and the Trustee may approve.

The Issuer shall send a copy of all notices given by it to Bondholders (or a Bondholder) pursuant to these Conditions simultaneously to the Calculation Agent.

*For so long as the Bonds are represented by a Global Bond registered in the name of, and held by a nominee on behalf of, a common depositary for Euroclear or Clearstream, Luxembourg notices required to be given to Bondholders pursuant to the Conditions shall be given by the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg as the case may be in substitution for publication by Bloomberg in accordance with Condition 17. Any such notice shall be deemed to have been given to Bondholders on the day on which such notice is delivered to Euroclear and/or Clearstream, Luxembourg.*

## 18 Further Issues

The Issuer may from time to time without the consent of the Bondholders create and issue further notes, bonds or debentures either having the same terms and conditions in all respects as the outstanding notes, bonds or debentures of any series (including the Bonds) or in all respects except for the first payment of interest on them and the first date on which Settlement Rights and/or Conversion Rights may be exercised and so that such further issue shall be consolidated and form a single series with the outstanding notes, bonds or debentures of any series (including the Bonds) or upon such terms as to interest, conversion, premium, redemption and otherwise as the Issuer may determine at the time of their issue. Any further notes, bonds or debentures forming a single series with the outstanding notes, bonds or debentures of any series (including the Bonds) constituted by the Trust Deed or any deed supplemental to it shall, and any other notes, bonds or debentures may, with the consent of the Trustee, be constituted by a deed supplemental to the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Bondholders and the holders of notes, bonds or debentures of other series in certain circumstances where the Trustee so decides and subject to compliance with Italian law.

## 19 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Bonds under the Contracts (Rights of Third Parties) Act 1999.

## 20 **Governing Law and Jurisdiction**

### *(a) Governing Law*

The Trust Deed, the Agency Agreement and the Bonds and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law. Conditions 14(a) and (b) and the provisions of the Trust Deed which relate to the convening of meetings of Bondholders and the appointment of a Bondholders' Representative are subject to compliance with Italian law.

### *(b) Jurisdiction*

The courts of England and Wales are to have jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed or the Bonds and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed or the Bonds ("**Proceedings**") may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the exclusive jurisdiction of such courts and has waived any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of the Trustee and each of the Bondholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

### *(c) Agent for Service of Process*

The Issuer has irrevocably appointed Mercury UK Holdco Limited at its registered office for the time being at 111 Buckingham Palace Road, London SW1W 0SR as its agent in England and Wales to receive service of process in any Proceedings in England. Nothing herein or in the Trust Deed shall affect the right to serve process in any other manner permitted by law.