

Rules of the "Arkimedica S.p.A. 2007-2012 5% Convertible Bond Loan"

Article 1 – Amount and securities

The convertible bond loan denominated "Arkimedica 2007-2012 5% convertible bond loan" for a maximum amount of Euro 28,000,000.00 (the "**Bond Loan**") consists of maximum no. 10,000,000 convertible bonds (the "**Bonds**") of a face value equal to Euro 2.80 each (the "**Face Value**") issued by Arkimedica S.p.A. ("**Arkimedica**" or the "**Issuer**") convertible in ordinary shares of Arkimedica having no face value (the "**Shares**").

The Bonds are in bearer form and cannot be split; they can be transformed in registered bonds upon request and against payment of the relevant expenses, and vice-versa, the related coupons still remaining payable to the bondholder.

The Bonds are held in book-entry form by Monte Titoli S.p.A. as centralised custodian, as per the laws and Rules in force.

The terms and conditions of the Bond Loan are governed by these rules (the "**Rules**").

Underwriting or purchasing the Bonds implies full acceptance of these Rules.

Article 2 – Status of Bonds

The Bonds constitute direct, unconditional and unsubordinated obligations of the Issuer, always to rank *pari passu* among them and with all other present and future unsecured obligations of the Issuer, save for such obligations that may be preferred by provisions of law.

Article 3 – Mandates

Prior to and no later than the date of commencement of trading of the Bonds on the Expandi Market organized and managed by Borsa Italiana S.p.A. (the "**Expandi Market**"), the Issuer shall, by virtue of special mandates (the "**Mandates**"), entrust Società per Amministrazioni Fiduciarie "SPAFID" S.p.A. (the "**Paying and Conversion Agent**") the task of taking care of all accomplishments relating to the management of conversion of the Bonds in Conversion Shares (as defined below), including payment of interest and redemption of the Bonds and shall entrust Centrobanca – Banca di Credito Finanziario e Mobiliare S.p.A. (the "**Calculation Agent**") the task of performing all verifications and calculations relating to the Bonds as provided in these Rules.

The Calculation Agent shall act autonomously and by independent judgement, and its determinations, taken according to these Rules, shall be considered (except in case of fraud, gross negligence or manifest error) as final and binding for the Issuer and the Bond holders (the "**Bondholders**").

A copy of the Mandates shall be available, at no cost for the Bondholders, at the offices of the Issuer, of the Payment and Conversion Agent and of the Calculation Agent.

The Mandates shall last for all the duration of the Bond Loan, as indicated in Article 5 below.

In case one or both Mandates are terminated in advance for whatever reason, the Issuer shall appoint a new Paying and Conversion Agent and/or a new Calculation Agent no later than 30 (thirty) calendar days from the date when the fact originating the termination of each Mandate occurred and shall promptly inform the Bondholders as per the provisions of Article 18 of these Rules.

Neither the Issuer nor any controlled and/or associated company as per article 2359 of the Civil Code and article 93 of the Legislative Decree 58/1998 (together with Issuer, the "**Arkimedica Group**") are authorized to act as Paying and Conversion Agent and/or as Calculation Agent.

Article 4 – Issue Price

The Bonds shall be issued at par, i.e. at their Face Value.

Article 5 – Duration and redemption

The duration of the Bond Loan shall start on November 12, 2007 and shall expire on November 12, 2012 (the "**Maturity Date**").

Upon the Maturity Date, save as provided for in Articles 10 and 11, the non-converted Bonds shall be redeemed in a single payment at their Face Value, together with interests accrued thereon and not paid for each Bond, without any additional expenses and/or fees.

Article 6 – Interests

Without prejudice to the provisions under the third paragraph of this Article 6, from November 12, 2007 (the "**Date of Issue**") (included), each Bond shall bear a 5% gross interest per year (the "**Interest Rate**") to be calculated on the Face Value of the Bond, gross of withholding taxes, to be paid on a yearly basis in arrear on November 12, of each year, from 2008 to 2012 (the "**Interest Payment Date**").

Each Bond will cease to bear interests on whichever is earlier among: (i) the Maturity Date; (ii) in case the Conversion Right is exercised as per Article 8 below, the Interest Payment Date immediately preceding the relevant Conversion Date (as defined in such Article 8); and (iii) in case of anticipated or accelerated redemption, as per Articles 10 and 11, the date when the anticipated or accelerated redemption (included) occurs.

Should the interest calculation be made for a period ending on a date other than an Interest Payment Date, the interest shall be calculated by the Calculation Agent by applying the Interest Rate to the aggregate Face Value and by multiplying such amount by the Fractional Ratio (as defined below). The resulting amount shall be rounded off to eurocent, it being understood that each eurocent fraction shall be reduced to the lower whole eurocent. To the purpose of this Article, "**Fractional Ratio**" means the actual number of calendar days elapsed in the reference period from the most recent Interest Payment Date or, failing this, from the Date of Issue (included) to the date when the interest calculation is to be made (excluded), divided by the actual number of calendar days elapsing, in the same reference period, from the Interest Payment Date or, failing this, from the Date of Issue (included) up to the subsequent Interest Payment Date (excluded).

As far as negotiations are concerned, to the purpose of calculation of accrued interests, the Issuer recommends the adoption of the "actual/actual on a yearly basis" convention.

Payment of interests shall be made in compliance with the provisions of Article 12 below.

Article 7 – Issuer's obligations

As long as there are Bonds outstanding, not having been converted, and until the Maturity Date:

- (a) the Issuer undertakes to make available to the Bondholders, at the registered office of the company, the financial statements, the consolidated financial statements and the consolidated six-monthly report, within the terms and upon the same modalities provided for by provisions of any laws and Rules;
- (b) the Issuer undertakes not to create or permit to be created and, also in compliance with article 1381 of the Civil Code, to cause the Subsidiaries (as defined below) not to create or permit to be created any Lien (as defined below) on its assets, except for:
 - (i) Liens already existing as of the date of these Rules and resulting from the consolidated financial statements of the Arkimedica Group as at December 31, 2006;
 - (ii) any Leans deriving from the application of law provisions;
 - (iii) any Liens established to secure financings related to the acquisition of new participations or new assets or relating to re-financing and/or debt restructuring transactions carried on by the Issuer and/or by the Subsidiaries;
- (c) without prejudice to the exceptions under paragraph (b) of this Article, the Issuer undertakes to cause the Bonds to enjoy equal conditions with respect to credits claimed by any unsecured

creditors of same and, in case collateral securities are granted in favour of creditors other than the Bondholders, to secure the Bondholders' credits deriving from the Bond Loan by granting collateral securities equivalent to those issued in favour of such creditors.

"**Lien**" means any mortgage, lien, pledge, burden, attachment, seizure, assignment as guarantee, reserved title, privilege or other liens of whatever nature established to secure any individual's obligations having a unit value exceeding 3 million euros, except for time deposits as per Article 10 (g) below.

"**Subsidiaries**" means companies controlled by Arkimedica, as per articles 2359 of the Civil Code and 93 of the Legislative Decree 58/1998.

Article 8 - Conversion Right

Each Bond may be converted into newly issued, fully paid, Shares, by the one Share for each Bond ratio (the "**Conversion Ratio**").

Therefore, the Bondholders shall be entitled to request and receive one conversion share (the "**Conversion Shares**") for each Bond presented for conversion (the "**Conversion Right**").

The Conversion Shares to be issued by virtue of the capital increase dedicated to the Bond Loan for maximum no. 10,000,000 Shares, as resolved by the Issuer's extraordinary shareholders meeting on April 30, 2007 and board meeting on September 27, 2007, are irrevocably and solely destined to the conversion of Bonds until expiration of the final term fixed for the conversion of the Bonds.

The Conversion Ratio shall be subject to adjustment as per Article 9 below.

Without prejudice to the provisions under paragraph (f) of this Article, the Conversion Right may be exercised by the Bondholder for all or part of the Bonds held by it, under the following conditions:

- (a) the notice of conversion of the Bonds (the "**Conversion Notice**") must be delivered to an intermediary member of the centralised custody system managed by Monte Titoli S.p.A. where the Bonds are deposited (the "**Intermediary**").

The Conversion Notice may be submitted in any Banking Day (as defined below) starting from November 12, 2010 and up to October 15, 2012, except as provided for under paragraphs (d) and (f) below (the "**Conversion Period**"); the date of conversion, meaning the day when the conversion is effective (the "**Conversion Date**") shall be - save as provided for under paragraph (d) below - the last Trading Day (as defined below) of the month when the Conversion Notice was submitted, where the filing occurred within the fifteenth day included in the same month, or the tenth Trading Day of the month following the delivery date of the Conversion Notice, where such Conversion Notice has been submitted between the sixteenth day (included) and the last calendar day of the month when the notice was submitted.

"**Banking Day**" means any calendar day other than Saturdays and Sundays when banks are open to carry on their activity in Milan.

"**Trading Day**" means any day when the Expandi Market is open to deal in the financial instruments traded on it;

- (b) the Conversion Shares assigned to any Bondholder shall enjoy all benefits and rights *pari passu* with the Shares traded on the Expandi Market upon the Conversion Date and shall bear the coupons outstanding at that date. Bonds presented for conversion shall bear interests until the day before the Interest Payment Date immediately preceding the Conversion Date and must bear all the coupons expiring after such date. The amount of the missing coupons, if any, must be paid by the Bondholder simultaneously with the delivery of the Conversion Notice;
- (c) upon the Conversion Date the Issuer shall - without charging any additional fees and expenses to the Bondholder - issue the requested Conversion Shares and pay any cash settlement due in connection with the last paragraph of Article 9 below and the relevant share of the Dividend Fund (as defined below), making it available to those entitled to them at the care of the Intermediary receiving the Conversion Notice; the Issuer shall cause that the Conversion

Shares are deposited at the centralised custody system of Monte Titoli S.p.A., and shall confirm such deposit, through Monte Titoli S.p.A., to the Intermediaries, upon the last Trading Day of the month during which the Conversion Notice has been delivered, or the tenth Trading Day of the month following the delivery of the Conversion Notice, depending on the date of delivery of the Conversion Notice as indicated under (a) above;

- (d) Conversion Notices cannot be submitted in the period starting from the day following the date of the board meeting resolving to call the shareholders' meeting of Arkimedica until the day (included) when the shareholders' meeting is held, even on call subsequent to the first one. Should the board of directors of Arkimedica call the shareholders' meeting of Arkimedica to pass resolutions on distribution of dividends, Conversion Notices cannot be submitted starting from the date (included) of the board meeting until the day (excluded) preceding the payment date of the dividend resolved by the shareholders' meeting, if any;
- (e) upon execution and delivery of the Conversion Notice, in addition to supplying the necessary customary information, the Bondholder shall acknowledge that the Bonds and the Conversion Shares, as well as any other rights connected thereto, are not and shall not be registered under the Securities Act of 1933, as amended, in force in the United States of America (the "**Securities Act**") and that the Bonds and the Conversion Shares, as well as any rights connected thereto, cannot be offered, sold, pledged and, in general, transferred under any kind of deed of transfer, unless in the framework of a transaction being carried out outside the United States of America in compliance with the provisions of *Regulation S* of the Securities Act. The Bonds and the Conversion Shares and any rights connected thereto may be transferred exclusively in compliance with the Italian applicable laws and Rules and with the laws and Rules governing financial instruments applying in other jurisdictions as may be involved from time to time, including the Securities Act;
- (f) in case of a public announcement of the intention to launch a take over or an exchange offer concerning all or part of the Shares, addressed to the shareholders of Arkimedica (the "**Offer**"), other than an Offer launched by Arkimedica on its Shares, Arkimedica undertakes to notify the Bondholders pursuant to Article 18 of their right to exercise the Conversion Right at whatever time, also before the beginning of the Conversion Period and/or also in derogation to the provisions of paragraph (d) above, with the maximum prior notice as permitted by the terms of the Offer, and to use its best effort so that the Conversion Date falls in a day that allows the Bondholders exercising the Conversion Right to bring to the Offer the Conversion Shares issued in favour of the Bondholders after the exercise of the Conversion Right.

No Conversion Share shall be assigned in relation with Conversion Notices not complying with the above conditions and for which the above accomplishments are not complied with.

Article 9 – Adjustments of the Conversion Ratio

Should within the period from the Date of Issue and October 31 2012 any of the events indicated in this Article 9, letters (a) to (m), occur, the Issuer, or the Calculation Agent at the Issuer's expense, shall notify the Bondholders, as indicated in Article 18, of an adjustment (the "**Adjustment**") of the Conversion Ratio and of the new Conversion Ratio as resulting after the modification made as set forth in this Article 9.

The Adjustment shall be determined by the Calculation Agent (unless otherwise stated) in compliance with the following provisions and on the basis of the latest Conversion Ratio, as has been from time to time determined:

- (a) capital increases or issue of other financial instruments offered to shareholders: in case the Issuer increases capital against payment or issues bond loans convertible into Shares, warrants on Shares or similar securities to subscribe for or purchase any Shares (the "**Other Convertible Financial Instruments**") or other financial instruments which do not grant the

right to subscribe for or purchase any Shares, such as for example, non convertible bonds (the "**Other Non Convertible Financial Instruments**") to be offered to Arkimedica shareholders, the relevant option right shall be granted, upon the same terms and conditions, also to the Bondholders on the basis of the Conversion Ratio, except, on the contrary, as provided for under paragraphs (c) and (d) below;

- (b) free capital increases: in case of free capital increases resolved by the Issuer by issue of new Shares, the number of Conversion Shares to which each Bondholder is entitled must be increased by the ratio between the newly issued Shares and the then outstanding Shares and the Conversion Ratio must be adjusted accordingly. The Adjustment shall become effective upon the effective date of the assignment of such new Shares, as per the provisions of the Rules of Markets organized and managed by Borsa Italiana S.p.A.. It is understood that in case the capital increase resolved by the Issuer is for free and without issue of new shares, the Conversion Ratio shall be subject to no Adjustment and the number of Conversion Shares pertaining to each Bond shall not be modified;
- (c) capital increases with exclusion of option rights: in case the Issuer, excluding or limiting the option right of Arkimedica shareholders as per article 2441 of the Civil Code, increases the capital against payment, in cash or in kind, or issues Other Convertible Financial Instruments, offering them to third parties or only to certain shareholders and in any case not to the Bondholders, and such instruments allow the beneficiaries to subscribe to Shares (the "**New Shares**") for a price lower than 95% of the Average (as defined below), the number of Conversion Shares pertaining to the Bondholder shall be modified by multiplying the Conversion Ratio by the coefficient (A+C) and dividing it by the coefficient (A+B).

In such case:

- the coefficient A shall be equal to the number of Shares issued before the Reference Date (as defined below);
- the coefficient B shall be equal to the number of Shares which may be acquired for a price equal to 100% of the Average for a consideration equal to the aggregate amount to be paid against issue of the New Shares or, as the case may be, for the New Shares to be issued for the Other Convertible Financial Instruments; and
- the coefficient C shall be equal: (i) in case New Shares are issued, to the number of issued New Shares; and (ii) in case any Other Convertible Financial Instrument is issued, to the number of New Shares which could be issued following exercise of the rights pertaining to the Other Convertible Financial Instruments.

The Adjustment shall become effective, pursuant to the provisions of the Rules of Markets organized and managed by Borsa Italiana S.p.A., upon the effective date of issue of the New Shares or of assignment of the Other Convertible Financial Instruments.

"**Reference Date**" means the date of the first announcement to the market of the terms of issue of the Shares or of the Other Convertible Financial Instruments.

"**Average**" means the arithmetic mean of the Official Price (as defined below) of the Shares in the last twenty Trading Days before the Reference Date.

"**Official Price**" means the official price of the Shares pursuant to the Rules of the market organized and managed by Borsa Italiana S.p.A. where the Shares are traded.

- (d) issue of Other Non Convertible Financial Instruments with exclusion of Bondholders' option rights: should the Issuer issue any Other Non Convertible Financial Instruments to be offered to all Arkimedica shareholders and not to be offered to Bondholders, the Conversion Ratio shall be subject to adjustment, multiplying the Conversion Ratio in force immediately prior to such issue by the coefficient (A) and dividing it by the coefficient (A-B).

In such case:

- the coefficient A shall be equal to the Average, as defined in paragraph (c) above, provided that the Reference Date shall mean the date of the first announcement to the market of the terms of issue of the Other Non Convertible Financial Instruments;
- the coefficient B shall be equal to the fair market value, determined by the Calculation Agent applying generally accepted methodologies, at the Reference Date of that part of rights relevant to a Share with reference to that issue.

The Adjustment shall become effective, pursuant to the provisions of the Rules of Markets organized and managed by Borsa Italiana S.p.A., upon the effective date of issue of the Other Non Convertible Financial Instruments.

The Adjustment shall work just in case the adjustment of the Conversion Ratio is higher than 5%.

It is to be pointed out that the Adjustment shall not work in case of issue of Other Non Convertible Financial Instruments not to be offered to all Arkimedica shareholders.

- (e) extraordinary distributions: in case of distribution to the Issuer's shareholders of:
- optional reserves;
 - extraordinary dividends (i.e. non deriving from profits realized in the reference financial year); or
 - ordinary dividends (i.e. deriving from distribution, even in more instalments, of profits realized in the reference financial year) whose corresponding *dividend yield* – meaning the ratio between dividend per share as resolved in aggregate by the Issuer's board of directors and the average Official Price registered by the Shares in the thirty calendar days before the date of the relevant resolution (or, in case, the date of the last resolution) - is higher than 5%;

the Issuer shall establish a specific fund (the "**Dividends Fund**") where it shall set aside a share of optional reserves or dividends (which may even consist of shares of Subsidiaries or of treasury shares of the Issuer) proportional to those distributed to the shareholders and to the amount of Conversion Shares existing as at the date of distribution of same, without paying any interest in relation with such amount, unavailable and destined to those who shall exercise the Conversion Right;

- (f) Shares grouping and splitting: should the Issuer carry on a Shares grouping/splitting, the number of Conversion Shares pertaining to each Bond shall vary applying the ratio on the basis of which the grouping or splitting of Shares has been made and the Conversion Ratio shall be adjusted accordingly. The Adjustment shall become effective as of the date when the grouping or splitting shall become effective pursuant to the provisions of the Rules of Markets organized and managed by Borsa Italiana S.p.A.;
- (g) merger and spin-off: in case the Issuer is merged in or merges with another company (except in case the Issuer is the incorporating company), as well as in case of spin-off (except in case the Issuer is the beneficiary of the spin-off), within the limits and according to the provisions of, and without prejudice to, the applicable laws and Rules, each Bond shall be granted the Conversion Right in a number shares of the companies resulting from the merger or spin-off, equivalent to the number of shares which would have been assigned to each Share, on the basis of the relevant exchange ratio, should the Bond have been converted before the effective date of the merger or spin-off;
- (h) reduction of share capital: in case the Issuer reduces its share capital, through reimbursement to all the shareholders, the Adjustment shall take place by depositing in a fixed deposit account

an amount, equal to the amount of the capital reimbursement; it being understood that, in case the share capital is reduced by reimbursement to all the shareholders to be made by annulment of outstanding Shares, the Conversion Ratio shall be proportionally modified;

- (i) incentive plans: no Adjustment will be made to the Conversion Ratio in case newly issued Shares or Other Convertible Financial Instruments or Other Non Convertible Financial Instruments are reserved by the Issuer to directors and/or employees of the Issuer or of companies of the Arkimedica Group, or paid to any such individuals by way of indemnity upon termination of their employment relationship;

- (l) Offer: in case of a public announcement of the intention to launch an Offer, on a date prior to November 12, 2010, the Conversion Ratio must be modified by multiplying it by the greater of 1 (or that different Conversion Ratio as applicable at the time when the Offer is launched as a consequence of the application of any of the Adjustment mechanisms set forth in Article 9) and the ratio between the Face Value and the unit price per share offered by the offeror (the "**Offer Price**"), it being understood that, in case the Offer is an exchange offer or a take over and exchange offer, the share element of the Offer represented by financial instruments of the offeror shall be determined on the basis of the average official price of such financial instruments during the calendar month preceding the publication of the Offer. Should the Conversion Right not be exercised as per Article 8 (f) above, the Adjustment provided for herein shall not apply with reference to the exercise of the Conversion Right immediately following the completion of the Offer;

- (m) other extraordinary transactions: in any case, if in the period from the Issue Date to October 31 2012, Arkimedica carries out other extraordinary transactions on its own share capital other than those taken into consideration in the preceding paragraphs of this Article 9, the Conversion Ratio and the number of Conversion Shares may be adjusted through generally accepted methods and to the extent permitted by the applicable provisions of law.

To the extent permitted by applicable law, in relation with any Adjustment, if the determined Conversion Ratio is not an integral multiple of 0.01, it shall be rounded down to the nearest whole multiple of 0.01.

Except as provided for in paragraph (d) above, no Adjustment of the Conversion Ratio shall be made in case such Adjustment (rounded down, if applicable) implies a variation of the Conversion Ratio applied as at such date lower than 1%. Any Adjustment not applied by reason of such circumstance shall be carried over and taken into consideration to the purpose of any subsequent adjustment, and such subsequent adjustment shall be made taking into account the adjustment not applied, as if it were made upon the Reference Date.

In case, owing to the provisions of this Article 9, at the time of conversion the number of Conversion Shares is not a whole, a number of Conversion Shares will be delivered for each Bond up to the whole number and the Issuer shall pay to the Bondholder the equivalent value, rounded off to the lower eurocent, of the fractional part evaluated on the basis of the weighed average of the Official Prices of the Shares on the Expandi Market in the calendar month preceding the month when the Conversion Notice was delivered. If Conversion Rights relating to more Bonds are exercised simultaneously, so that the Shares to be delivered at the Conversion Date must be registered under the same name, the number of Shares to be delivered shall be calculated on the basis of the aggregate face value of such Bonds converted and rounded down to the first whole number of Shares.

In case an Adjustment of the Conversation Ratio requires, pursuant to the provisions of this Article 9, that the Issuer modifies the number of, or issues, further Conversion Shares destined to conversion, the Issuer shall carry out all corporate actions, as permitted by the applicable laws, as are necessary to ensure that the number of Conversion Shares to be issued upon exercise of a Conversion Right is increased such that the holder of each Bond then outstanding is entitled (during the period in which such Bond may be converted) to convert such Bond in Conversion Shares on the basis of the adjusted Conversion Ratio. Failing this for whatever reason, each Bondholder exercising its Conversion Right shall be entitled to receive from the Issuer, in cash, the difference with respect to the Conversion Shares available at the time of conversion. In such case, the countervalue of the Conversion Shares which should have been issued for conversion, rounded down to the lower cent of Euro, shall be

Arkimedica S.p.A. ● Via Govi, n.25 ● 42025 Cavriago RE ● Capitale sociale € 10.800.000,00 int. vers. ● C.F. e P.IVA 01701100354 ● R.E.A di RE n. 207263 ● Tel. +39 0522 373763 ● Fax +39 0522 373764 ● www.arkimedica.com ● info@arkimedica.com

evaluated on the basis of the weighed average of the Official Prices of the Shares on the Expandi Market in the calendar month preceding the month when the Conversion Notice was delivered.

Article 10 – Anticipated redemption upon request of the Bondholders

Should any of the following circumstances occur:

- (a) the Issuer is in default with respect to one or more of its obligations with reference to the Bonds undertaken under these Rules and such default is not remedied within thirty (30) calendar days from notice thereof given by the Issuer itself or by the Bondholders Representative (as defined below) or by the Calculation Agent, in case it is provided by these Rules;
- (b) the Issuer's Shares are no longer listed on any organized market;
- (c) the Issuer or any of its Subsidiaries does not comply with a final judgment or another enforceable judicial measure issued by the competent judicial authority (the "**Final Judgment**") and such default of the Issuer or of the relevant Subsidiary continues for 180 calendar days from the date of receipt of the notice of Final Judgment, or a procedure of enforcement of the Final Judgment is started against the Issuer or any of its Subsidiaries and is not abandoned or successfully opposed to within 280 calendar days from its beginning, provided that the amount of the Final Judgment exceeds 5 million euros;
- (d) the Issuer becomes insolvent, or starts negotiating with its creditors to the purpose of obtaining postponements or out of courts compositions, assigns its assets to creditors or is subjected to bankruptcy procedures;
- (e) the Issuer is in violation of any laws and Rules, in case any of such events has a material negative effect on the carrying out of the relevant activities;
- (f) at any time, the fulfilment of any obligation deriving from these Rules or from the Mandates becomes invalid, illegal, or is no longer effective or achievable for the Issuer, except in case the Rules or the Mandates are modified or adjusted with the consent of the Bondholders;
- (g) any obligation relating to any, present or future, payment or reimbursement of money, both as a direct obligation or as undertaking to issue guarantees, taken in connection with money received by virtue of loans, opening of credit lines or financing of whatever kind and in whatever form (including financings with assignment of securities or credits with recourse and leasing transactions) whether implying issue of securities, debts acknowledgement, bank acceptance or otherwise (the "**Obligation**") of the Issuer or of any of its Subsidiaries is not fulfilled within 60 calendar days from the relevant expiration date or from any delayed expiration date applicable to it, or is declared or otherwise becomes automatically due and enforceable before the agreed expiration date (the "**Default**"), provided that:
 - (i) the aggregate or individual amount of the Obligation is higher than 5 million euros; and
 - (ii) the Bondholders approve the request of anticipated redemption relating to such event;

it being understood that the anticipated redemption of Bonds shall not take place in case the Issuer, to secure payment of the Obligation, pays in a fixed deposit account an amount corresponding to the amount of the Obligation and relevant additional amounts, and notifies the Bondholders thereof by means of notice to be published as per Article 18, without prejudice to any further and different remedies or actions taken by the Bondholders Representative (as defined below) in application of the Bondholders' meeting resolutions, each Bondholder shall be entitled to receive the anticipated reimbursement of any amount payable to it corresponding to the price to be paid by the Issuer, as indicated in Article 12 of these Rules, within 30 (thirty) calendar days from receipt by the Issuer of the relevant request of anticipated redemption sent by the Bondholder, it being understood that each Bondholder shall be entitled to withdraw such

request of anticipated redemption or renounce it by notifying in writing the Issuer no later than the date foreseen for the anticipated redemption.

Payment of the amount due to the Bondholders as a consequence of the anticipated redemption shall not entail any additional fees or expenses at the charge of the Bondholders.

Article 11 - Accelerated redemption

In case, as a consequence of anticipated redemptions as per Article 10 above and/or of the exercise of the Conversion Right under Article 8, the residual amount of the outstanding Bonds is less than 5 million euros, then the Issuer shall have the right to accelerate the redemption of all the Bonds still outstanding. The exercise of such right of accelerated redemption must be notified by the Issuer as per Article 18 below (the "**Notice of Accelerated Redemption**") by prior notice to be given not less than 30 (thirty) but not more than 60 (sixty) calendar days before the date of reimbursement, which date will be indicated in the Notice of Accelerated Redemption (the "**Date of Accelerated Redemption**").

Until the fifth Trading Day before the Date of Accelerated Redemption, each Bondholder shall be entitled to deliver a Conversion Notice, upon the terms and conditions set forth in Article 8. The Notice of Accelerated Redemption must indicate the final date on which each Bondholder shall be entitled to exercise its Conversion Right as well as the date on which the Conversion Shares shall be available, to coincide with the Date of Accelerated Redemption.

Payment to the Bondholders deriving from the exercise by the Issuer of the right of accelerated redemption shall be made at the Date of Accelerated Redemption and shall be equal to the Face Value of the Bonds, increased by the interests accrued thereon as at the Date of Accelerated Redemption, calculated as set forth in Article 6. Payment of the amount due to the Bondholders as a consequence of the accelerated redemption shall not entail any additional fees or expenses at the charge of the Bondholders.

Article 12 – Payments

Payment of the principal amount, interests and any other amounts due to the Bondholders shall be in Euro and credited or transferred to a current account in Euro (or any other current account where Euro may be credited or transferred). Payments shall be made to the benefit of the Bondholders to their respective Intermediaries for amounts not lower than a cent of Euro and, in case, due to calculations made according hereto, the Bondholder is entitled to a fractional amount higher than a cent of Euro, payment in favour of such Bondholder shall be rounded down to the lower cent of Euro.

All payments of the principal amount, interests and other amounts to the Bondholders shall be subject to the fiscal and/or other laws and Rules applicable in the place of payment. No fees and expenses shall be charged to the Bondholders in respect of such payments.

Should the Maturity Date or the Interest Payment Date not fall in a Working Day (as defined below), payments shall be made on the immediately subsequent Working Day and the Bondholders shall not be entitled to any further interests or other sums as a consequence of such deferred payment.

To the sole purpose of this Article, "**Working Day**" means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) is operative.

Article 13 – Subjects in charge of the loan

All conversion and redemption transactions on the Bonds either in cash and/or in Conversion Shares shall take place at the offices of the authorized intermediaries members of the centralised custody system managed by Monte Titoli S.p.A.

Article 14 – Taxation

Upon the Date of Issue, the taxation applicable to interests and other proceeds deriving to the Bondholders for the part accruing in the period of possession of the Bonds, is governed by the provisions of Legislative Decree April 1, 1996, no. 239.

Article 15 – Terms of prescription and loss of rights

Right to payment of the principal amount of the Bonds shall be prescribed after ten years from the date on which the Bond became redeemable.

Right to payment of the interests payable in relation with the Bonds shall be prescribed after five years from the date of expiration of such interests.

Article 16 – Listing and Circulation

The Issuer has filed an application for listing the Bonds on the Expandi Market. The initial trading date shall be fixed by Borsa Italiana subject to verification of sufficient diffusion of the Bonds.

The Bonds shall be freely transferable and subject to the circulation system of securities in book-entry form. In particular, the Bonds are admitted to the centralised custody system managed by Monte Titoli S.p.A. in book-entry form according to the Rules in force. Therefore, in compliance with the provisions of Legislative Decree no. 213/1998, all transactions concerning the Bonds (including transfer and creation of liens) as well as the exercise of the relevant proprietary rights may be made solely through financial intermediaries members of the centralised custody system managed by Monte Titoli S.p.A.

No restriction is provided to the free negotiation of the Bonds.

Article 17 – Bondholders Representative - Bondholders' general meeting

In case, on or before February 28 2008 the Bondholders' general meeting to be called by the Issuer in due time does not appoint a representative of the Bondholders (the "**Bondholders Representative**"), such appointment shall be requested by the Issuer to the competent Courts, as per article 2417 of the Civil Code.

The Bondholders' general meeting may substitute or revoke the Bondholders Representative appointed as above. Each Bondholder has the right to consult the register of the Bondholders' general meetings to be kept at the care of the Issuer, as per the applicable Rules, at the Issuer's registered office.

The Bondholders' general meeting may resolve on any change of the conditions of the Bond Loan by the favourable vote of as many Bondholders as represent at least half of the issued and not redeemed Bonds; for any other resolution, the majority provided for by the law shall apply.

Article 18 – Notices

Without prejudice to any applicable laws and Rules, all notices required by or permitted on the basis of these Rules shall be validly given with respect to all the Bondholders when published in at least two daily newspapers, one of which having general circulation in Italy.

Article 19 – Governing Law - Litigation

The Bond Loan and these Rules are governed by the Italian law, to apply also to matters not covered by these Rules.

Any dispute relating to the Bond Loan and the provisions contained in these Rules which may arise between the Issuer and the Bondholders shall be subject to the exclusive jurisdiction of the Court of Milano.