

ITALIAN FINANCIAL TRANSACTIONS TAX – PROTOCOL

1. INTRODUCTION

1.1 This Protocol is published by the Association for Financial Markets in Europe (*AFME*). Its purpose is to allow parties to adhere to a set of standard provisions as to the allocation of payment and reporting responsibilities and obligations in circumstances where transactions in Affected Securities (as defined below) are subject to the taxation on financial transactions under article 1, paragraph 491, of the Italian Law 228 of 24 December 2012 (the *Law 228*) and articles from 2 to 6 of the Decree of the Minister of Economy and Finance dated 21 February 2013 (the *Treasury Decree*), as these articles may be amended or superseded from time to time, including any related penalty or interest for late or incorrect payment or late or incorrect filing that may be due (the *FTT*).

1.2 The provisions contained in the Protocol shall apply to transactions covered by this Protocol by a party that has adhered to, and has not withdrawn from, the Protocol (an *Adhering Party*). The Protocol shall apply to an Adhering Party and all its branches, unless specified otherwise in the Adherence Letter (as defined below).

1.3 Parties may adhere to the Protocol and be bound by its terms by following the adherence procedure described in Section 2 below. Subject to the effect of any Disappication Letter (as defined below) served by an Adhering Party, Adhering Parties agree that the terms of this Protocol shall apply to all Covered Transactions (as defined below) entered into by them with another Adhering Party and that the Protocol shall take effect as separate bilateral agreements between each Adhering Party and each other Adhering Party.

1.4 The Protocol is intended to cover White-Listed Investment Services Providers (as defined below).

1.5 The Protocol is intended to create legal rights and obligations and parties are encouraged to take legal advice on its terms and effect before adhering to the Protocol.

1.6 For the purposes of this Protocol, the Purchaser (as defined below) is responsible for interpreting the relevant provisions of the Law 228 and the Treasury Decree to determine which transactions incur reporting and payment obligations.

1.7 This Protocol shall become effective at 12.01am Milan time on 1 March 2013.

2. ADHERENCE

2.1 Adherence to the Protocol shall require the execution and delivery to AFME of a letter in the form, or substantially the form, set out in Exhibit 1 to this Protocol (the *Adherence Letter*).

2.2 A party intending to adhere to this Protocol shall deliver to AFME by (i) certified or registered mail (or airmail, if overseas) or equivalent; (ii) courier; or (iii) personal delivery to the address set out in the form of Adherence Letter, two copies of

the Adherence Letter: one a manually signed original and the other a conformed copy containing, in place of each signature, the printed or typewritten name of each signatory. In addition, the party shall send scanned pdf copies of the manually signed original and conformed copies of the Adherence Letter to AFME at fttprotocol@afme.eu.

2.3 AFME shall publish the conformed copy of the Adherence Letter on the AFME Website (such publication by AFME constituting the *Adherence Confirmation*).

2.4 A party will become an Adhering Party to this Protocol with effect from:

- (a) the date and time on which the Protocol shall become effective in accordance with paragraph 1.7 above, if AFME has effected the Adherence Confirmation in respect of that party by that date and time;
- (b) the date which is one Business Day following the date on which AFME effects the Adherence Confirmation in respect of that party, if AFME has effected the Adherence Confirmation in respect of that party after the date and time specified in paragraph 1.7 above but before 1 July 2013; or
- (c) in all other cases, the date which is 5 Business Days following the date on which AFME effects the Adherence Confirmation in respect of that party.

2.5 Except as provided for specifically in this Protocol, this Protocol is intended for use without negotiation. In adhering to this Protocol a party may not specify amendments to the Protocol or additional provisions, conditions or limitations in its Adherence Letter or otherwise. Any such purported amendments, additional provisions, conditions or limitations will be of no effect and will result in such party failing to become or to remain an Adhering Party.

2.6 Subject to Section 3 below, the terms set out in this Protocol will apply as between any two Adhering Parties from the time when they are both Adhering Parties.

2.7 In consideration of the mutual rights and obligations between Adhering Parties created by this Protocol, each Adhering Party agrees to be bound by its terms as amended from time to time.

2.8 Any provisions governing any Covered Transactions, whether collectively or individually, shall continue to apply to the respective Covered Transactions, provided that in the event of any conflict with the provisions of this Protocol concerning the allocation of FTT payment and reporting responsibilities and obligations, the provisions of this Protocol shall prevail.

3. DISAPPLICATION

3.1 Notwithstanding any provision to the contrary in Section 2 above, an Adhering Party intending to disapply the Protocol with respect to any other Adhering Party may at any time execute and deliver by (i) certified or registered mail (or airmail, if overseas) or equivalent; (ii) courier; or (iii) personal delivery to that other Adhering

Party at its address specified in its Adherence Letter or most recent notice of change of contact details published on the AFME Website (as applicable), a notice in the form, or substantially the form, set out in Exhibit 2 (the **Disapplication Letter**).

3.2 The Disapplication Letter shall take effect from the date which, in accordance with Section 9 below, it shall be deemed effective.

3.3 Once a Disapplication Letter has become effective, the terms of this Protocol shall cease to apply as between the Adhering Party that delivered, and the Adhering Party that received, the Disapplication Letter (but, for the avoidance of doubt not between either of those Adhering Parties and any other Adhering Party). The terms of this Protocol will continue to apply between an Adhering Party and any Adhering Party to which it has delivered a Disapplication Letter, in respect of Covered Transactions entered into between those Adhering Parties prior to the Disapplication Letter becoming effective. In particular, but without limitation, the Disapplication Letter shall be without prejudice to the accrued rights of either Adhering Party under Section 7 below, which shall survive any such Disapplication Letter.

4. WITHDRAWAL

4.1 An Adhering Party may declare the withdrawal of its adherence to the Protocol by execution and delivery to AFME of a letter in the form, or substantially the form, set out in Exhibit 3 to this Protocol (the **Withdrawal Letter**).

4.2 An Adhering Party intending to withdraw its adherence to the Protocol shall deliver to AFME by (i) certified or registered mail (or airmail, if overseas) or equivalent; (ii) courier; or (iii) personal delivery to the address set out in the form of Withdrawal Letter, two copies of the Withdrawal Letter: one a manually signed original and the other a conformed copy containing, in place of each signature, the printed or typewritten name of each signatory. In addition, the Adhering Party shall send scanned pdf copies of the manually signed original and conformed copies of the Withdrawal Letter to AFME at ftprotocol@afme.eu.

4.3 Subject to paragraphs 4.4 and 4.5 below, an Adhering Party will cease to be an Adhering Party (and will become a **Former Adhering Party**) with effect from the date which is 5 Business Days following the date on which AFME publishes the conformed copy of the Withdrawal Letter relating to that Adhering Party on the AFME Website (such publication constituting the **Withdrawal Confirmation**).

4.4 Notwithstanding anything to the contrary in the foregoing paragraphs of this Section 4 or in any other provision of this Protocol, if at any time an Adhering Party ceases to be a White-Listed Investment Services Provider, it shall be subject to the immediate withdrawal of its adherence to the Protocol, in accordance with paragraph 4.5 below.

4.5 A party which has ceased to be a White-Listed Investment Services Provider, shall immediately provide notice to AFME, in the form or substantially in the form, set out in Exhibit 4. Such notice shall be delivered to AFME by (i) certified or registered mail (or airmail, if overseas) or equivalent; (ii) courier; or (iii) personal delivery to the address set out in the form of notice in Exhibit 4, in two copies: one a

manually signed original and the other a conformed copy containing, in place of each signature, the printed or typewritten name of each signatory. In addition, the party shall send scanned pdf copies of the manually signed original and conformed copies of the notice to AFME at fttprotocol@afme.eu. AFME shall, following receipt of the manually signed original and conformed copies of the notice, publish the conformed copy of the notice on the AFME Website. Such publication shall constitute a Withdrawal Confirmation and such party shall become a Former Adhering Party as at the date of the Withdrawal Confirmation.

4.6 The terms of this Protocol will continue to apply between an Adhering Party and a Former Adhering Party in respect of Covered Transactions entered into between those parties prior to the latter becoming a Former Adhering Party. In particular, but without limitation, neither the fact of becoming a Former Adhering Party nor the Former Adhering Party's Withdrawal Confirmation shall prejudice the accrued rights of either party under Section 7 below, which shall survive any such Withdrawal Confirmation.

5. REPRESENTATIONS.

5.1 Each Adhering Party represents to each other Adhering Party on a continuing basis that, for the purpose of each Covered Transaction:

- (a) it is a White-Listed Investment Services Provider;
- (b) it will immediately notify AFME if at any time its representation in subparagraph 5.1(a) ceases to be true;
- (c) it is duly incorporated and validly existing under the laws of its country of incorporation or formation;
- (d) it is duly authorised and empowered to execute, deliver and/or submit the Adherence Letter and to perform its duties and obligations under this Protocol;
- (e) the person(s) executing the Adherence Letter is (are) duly authorised to do so on its behalf;
- (e) the execution, delivery and performance of this Protocol will not:
 - (i) conflict with or result in a breach of any of the terms or provisions of, or constitute a default under, the documents constituting the Adhering Party, or any indenture, trust deed, mortgage or other agreement or instrument to which the Adhering Party is a party or by which it or any of its assets is bound;
 - (ii) infringe any existing applicable law, rule, regulation, judgment, order or decree of any government, governmental body, regulatory body or court, domestic or foreign, having jurisdiction over the Adhering Party or any of its assets;

- (f) it has all necessary authorisations, licences and approvals to perform its duties and obligations under this Protocol and will do nothing prejudicial to the continuation of such authorisation, licences or approvals; and
- (g) this Protocol constitutes the legal, valid, binding and enforceable obligations of the Adhering Party and is enforceable in accordance with its terms.

5.2 An Adhering Party may choose to make the representation set out in paragraph 5.3 (the ***Optional Representation***) by either:

- (a) checking the relevant box in the Adherence Letter; or
- (b) delivering to AFME a notice in the form, or substantially the form, set out in Exhibit 5 (the ***Optional Representation Notice***).

5.3 An Adhering Party that has opted to give the Optional Representation represents to each other Adhering Party with whom it enters into a Covered Transaction that where it is the Seller it has purchased the Affected Securities that it is selling as a result of transactions effected on a Regulated Market or Multilateral Trading Facility (including transactions that are deemed to be effected on a Regulated Market or Multilateral Trading Facility according to Art. 6, par. 4, of the Treasury Decree) and that the other conditions in Article 6, paragraph 1, second period of the Treasury Decree as to the required coincidence of prices, total quantities and settlement dates are satisfied.

5.4 An Optional Representation Notice shall be delivered to AFME by (i) certified or registered mail (or airmail, if overseas) or equivalent; (ii) courier; or (iii) personal delivery, to the address set out in the form of notice in Exhibit 5, in two copies: one a manually signed original and the other a conformed copy containing, in place of each signature, the printed or typewritten name of each signatory. In addition, the party shall send scanned pdf copies of the manually signed original and conformed copies of the Optional Representation Notice to AFME at fttprotocol@afme.eu. AFME shall, following receipt of the manually signed original and conformed copies of the notice, publish the conformed copy of the notice on the AFME Website.

5.5 The Optional Representation shall be deemed repeated for each Covered Transaction: (i) entered into by an Adhering Party who has checked the box in the Adherence Letter; and (ii) entered into by an Adhering Party after publication of the conformed copy of such Adhering Party's Optional Representation Notice on the AFME Website. If the Optional Representation is not correct in relation to any Covered Transaction the Adhering Party shall notify the Purchaser in writing (which may, without limitation, be by e-mail or Bloomberg messaging system) at, or before, the time the Covered Transaction is entered into.

5.6 If the Optional Representation is incorrect in relation to any Covered Transaction and an Adhering Party has not given notice to the Purchaser in writing pursuant to paragraph 5.5 then such Adhering Party shall indemnify the Purchaser, on a continuing basis, against all reasonably incurred direct costs, expenses (including reasonable legal expenses), damages, liabilities and losses, including any penalties and interest (***Costs***) that the Purchaser suffers or incurs as a direct result of the

Optional Representation being incorrect, excluding however any Costs resulting from the Purchaser's failure to duly, and in a timely manner, comply with a binding direction from the Italian tax authorities to report and/or pay the FTT in respect of the relevant Acquisition. In no circumstances shall the Adhering Party be liable to indemnify the Purchaser for loss of profit, goodwill or opportunity. The provisions of paragraphs 7.3 to 7.8 of the Protocol shall apply to the indemnity in this paragraph 5.6 but with references to the Seller being replaced with references to the Purchaser and vice versa, and references to the indemnity in paragraph 7.2 being construed as references to this indemnity.

5.7 An Adhering Party that has opted to give the Optional Representation may withdraw such Optional Representation by sending a notice to AFME in the form, or substantially the form, set out in Exhibit 6 (an **Optional Representation Withdrawal Notice**). An Optional Representation Withdrawal Notice shall be delivered to AFME by (i) certified or registered mail (or airmail, if overseas) or equivalent; (ii) courier; or (iii) personal delivery, to the address set out in the form of notice in Exhibit 6, in two copies: one a manually signed original and the other a conformed copy containing, in place of each signature, the printed or typewritten name of each signatory. In addition, the party shall send scanned pdf copies of the manually signed original and conformed copies of the Optional Representation Withdrawal Notice to AFME at fitprotocol@afme.eu. AFME shall, following receipt of the manually signed original and conformed copies of the notice, publish the conformed copy of the notice on the AFME Website. The Optional Representation shall cease to apply to any Covered Transactions entered into by the Adhering Party that has delivered the notice immediately following publication of the Optional Representation Withdrawal Notice on the AFME Website.

6. DEFINITIONS AND INTERPRETATION

6.1 In this Protocol the following terms shall have the following meanings:

- (a) **Acquisition** has the meaning given in paragraph 7.1;
- (b) **Adherence Confirmation** has the meaning given in paragraph 2.3;
- (c) **Adherence Letter** has the meaning given in paragraph 2.1;
- (d) **Adhering Party** means a party that has adhered to this Protocol in accordance with the provisions of Section 2;
- (e) **Affected Securities** means (a) the listed and unlisted equity securities and participating financial instruments that are referred to under article 1, paragraph 491, of the Law 228 and under article 1, paragraph 2, lett. c) and d) of the Treasury Decree issued by companies with their registered office in Italy and (b) the certificates representing the securities mentioned under (a) above that are referred to under article 1, paragraph 491, of the Law 228 and under article 1, paragraph 2, lett. e) of the Treasury Decree (“*titoli rappresentativi*”) issued by a company, whatever its registered office;
- (f) **AFME Website** means www.afme.eu;

- (g) **Annual Reporting Obligations** means the filing of an annual return for FTT purposes on the basis of the rules set out in par. 6 of the Payment Regulation and on the basis of the FTT Form Regulation;
- (h) **Art. 19 Regulation** means the regulation containing the list of States or territories with which Italy has agreements in force for the purposes of the exchange of information or the assistance in the collection of tax credits, issued by the Director of the *Agenzia delle Entrate* according to Article 19, paragraph 4, of the Treasury Decree, on 1 March 2013 and supplemented on 29 March 2013, as amended or superseded from time to time;
- (i) **Black-Listed State** means any State or territory different from those indicated in the Art. 19 Regulation;
- (j) **Business Day** means a day, other than a Saturday or Sunday, on which banks are generally open for business in London;
- (k) **Claim** has the meaning given in paragraph 7.5;
- (l) **Costs** has the meaning given in paragraph 7.2;
- (m) **Covered Transaction** means a transfer of full or bare ownership of Affected Securities, as such a transfer is defined under article 1, paragraph 491, of the Law 228 and article 3 of the Treasury Decree;
- (n) **Deferral Period** means a period of time during which the Italian tax authorities agree that payment of the FTT in respect of a Covered Transaction may be deferred;
- (o) **Disapplication Letter** has the meaning given in paragraph 3.1;
- (p) **Former Adhering Party** has the meaning given in paragraph 4.3;
- (q) **FTT Form Regulation** means the regulation issued by the Director of the *Agenzia delle Entrate* on 27 December 2013 and setting out the annual FTT return form and the instructions for completing and filing such form;
- (r) **Indemnity Event** means the Seller receiving a binding direction from the Italian tax authorities to comply with Reporting Obligations and/or pay the FTT in respect of the Acquisition, whether as a result of a failure of the Purchaser to comply with its obligations under paragraph 7.1 or otherwise;
- (s) **Instrumental Reporting Formalities** means the chronological recording of transactions on the basis of the rules set out in par. 5. of the Payment Regulation;
- (t) **Investment Services and Activities** means, according to par. 1.1. of the Payment Regulation, the investment services and activities assimilated to those indicated in the TUF in article 1, paragraph 5, letters a) (“dealing for own account”), b) (“execution of orders for clients”) and e) (“reception and

transmissions of orders”), excluding the activities consisting in putting in contact two or more investors;

- (u) **Investment Services Provider** means (i) an Italian bank as defined in article 1, paragraph 2, lett. a) of the TUB combined with the definition of 'bank' as defined in article 1, paragraph 1, lett. b) of the TUB; (ii) an EU bank as defined in article 1, paragraph 2, lett. b) of the TUB combined with the definition of 'bank' as defined in article 1, paragraph 1, lett. b) of the TUB; (iii) a non-EU bank as defined in article 1, paragraph 2, lett. c) of the TUB combined with the definition of 'bank' as defined in article 1, paragraph 1, lett. b) of the TUB; (iv) an EU investment company, as defined in article 1, paragraph 1, lett. f) of the TUF, or any other entity, whichever its denomination is, which is authorised in its home State to provide on a professional basis to the public Investment Services and Activities ; (v) a non-EU investment company, as defined in article 1, paragraph 1, lett. g) of the TUF, or any other entity, whichever its denomination is, which is authorised in its home State to provide on a professional basis to the public Investment Services and Activities; and (vi) a SIM (*società di intermediazione mobiliare*) as defined in article 1, paragraph 1, lett. e) of the TUF;
- (v) **Law 228** has the meaning given in paragraph 1.1;
- (w) **Multilateral Trading Facility** has the meaning given in article 1, par. 2, lett. f) of the Treasury Decree;
- (x) **Optional Representation** has the meaning given in paragraph 5.2;
- (y) **Optional Representation Notice** has the meaning given in paragraph 5.2(b);
- (z) **Optional Representation Withdrawal Notice** has the meaning given in paragraph 5.7;
- (aa) **Payment Regulation** means the regulation containing the rules for FTT reporting, payment and refunds, issued by the Director of the *Agenzia delle Entrate* according to article 19, paragraphs 5 and 8, and article 22 of the Treasury Decree, on 18 July 2013, as amended or superseded from time to time;
- (bb) **Protocol** means this AFME Italian Financial Transactions Tax Equities Protocol, as amended from time to time;
- (cc) **Purchaser** has the meaning given in paragraph 7.1;
- (dd) **Regulated Market** has the meaning given in article 1, par. 2, lett. f) of the Treasury Decree;
- (ee) **Reporting Obligations** means the Annual Reporting Obligations and the Instrumental Reporting Formalities;
- (ff) **Seller** has the meaning given in paragraph 7.1;

- (gg) **Treasury Decree** has the meaning given in paragraph 1.1;
 - (hh) **TUB** means the Legislative Decree no. 385 of 1 September 1993 (*Testo Unico Bancario*);
 - (ii) **TUIR** means the Decree of the President of the Republic no. 917 of 22 December 1986 (*Testo Unico delle Imposte sui Redditi*);
 - (jj) **TUF** means the Legislative Decree no. 58 of 24 February 1998 (*Testo Unico della Finanza*);
 - (kk) **White-Listed Investment Services Provider** means (a) an Investment Service Provider whose registered office is in Italy or in a White-Listed State, (b) an Investment Service Provider whose registered office is in a Black-Listed State and which has a permanent establishment in Italy according to article 162 of the TUIR, to the extent that it has followed the procedure in par. 4.1.1.II of the Payment Regulation and that the relevant details have been published on the website of the *Agenzia delle Entrate* according to par. 4.1.6 of the Payment Regulation, (c) an Investment Service Provider whose registered office is in a Black-Listed State and which has a permanent establishment in a White-Listed State, to the extent that it has followed the procedure in par. 3.1.7 of the Payment Regulation, that the relevant details have been published on the website of the *Agenzia delle Entrate* according to par. 4.1.6 of the Payment Regulation and that such details have not been cancelled from the website of the *Agenzia delle Entrate* according to par. 4.1.7 of the Payment Regulation, (d) an Investment Service Provider whose registered office is in a Black-Listed State, to the extent that it has followed the procedure in par. 4.1.5.I of the Payment Regulation, that the relevant details have been published on the website of the *Agenzia delle Entrate* according to par. 4.1.6 of the Payment Regulation and that such details have not been cancelled from the website of the *Agenzia delle Entrate* according to par. 4.1.7 of the Payment Regulation and (e) an Investment Service Provider whose registered office is in a Black-Listed State, to the extent that it has followed the procedure in par. 4.1.5.II of the Payment Regulation, that the relevant details have been published on the website of the *Agenzia delle Entrate* according to par. 4.1.6 of the Payment Regulation and that such details have not been cancelled from the website of the *Agenzia delle Entrate* according to par. 4.1.7 of the Payment Regulation;
 - (ll) **White-Listed State** means any State or territory indicated in the Art. 19 Regulation;
 - (mm) **Withdrawal Confirmation** has the meaning given in paragraph 4.3;
 - (nn) **Withdrawal Letter** has the meaning given in paragraph 4.1.
- 6.2 In this Protocol unless the context requires otherwise:
- (a) the headings are inserted for convenience only and do not affect the construction of this Protocol;

- (b) references to one gender includes all genders;
- (c) references to the singular include references to the plural;
- (d) any reference to an enactment or statutory provision is a reference to it as it may have been, or may from time to time be amended, modified, consolidated or re-enacted;
- (e) references to the Law 228 and the Treasury Decree shall be deemed to include references to any accompanying regulations from the Italian tax authorities, as the same may be amended or superseded from time to time; and
- (f) references in this Protocol to any English legal term for any action, remedy, method of judicial proceedings, legal document, legal status, court official or any other legal concept is, in respect of any jurisdiction other than England and Wales, deemed to include the legal concept or term which most nearly approximates in that jurisdiction to the English legal term.

7. FTT TERMS

7.1 Where an Adhering Party (the *Purchaser*) acquires Affected Securities from another Adhering Party (the *Seller*) in a Covered Transaction (the *Acquisition*), the Purchaser and the Seller agree as follows:

- (a) the Purchaser (or its delegate) will report the Acquisition in compliance with the Reporting Obligations and the FTT Form Regulation or, where applicable, will designate for this purpose the central depository in order to satisfy the Reporting Obligation on its behalf, in each case in accordance with the provisions of the Payment Regulation and the FTT Form Regulation ;
- (b) the Purchaser (or its delegate) will pay any FTT which may be due in respect of the Acquisition or, where applicable, will designate for this purpose the central depository in order to satisfy this payment obligation on its behalf, in each case in accordance with the provisions of article 19 of the Treasury Decree and the Payment Regulation;
- (c) the Seller will not report the Acquisition in compliance with the Reporting Obligations and the FTT Form Regulation;
- (d) the Seller will not pay any FTT which may be due in respect of the Acquisition and, where applicable, will not designate the central depository in order to satisfy this payment obligation on its behalf;
- (e) for the purposes of the FTT, the acquisition of Affected Securities shall be deemed to occur on the contractual settlement date and not the actual settlement date according to the procedure set forth by article 3, par. 1, last period of the Treasury Decree.

Provided always that the provisions of this paragraph 7.1 shall not bind the parties to the extent that (i) the Seller receives a final, binding direction from the Italian tax

authorities to report the Acquisition in compliance with the Reporting Obligations and the FTT Form Regulation and/or to pay the FTT in respect of the Acquisition; or (ii) the Purchaser and the Seller agree in writing, on a different allocation of duties for FTT Reporting Obligations and/or paying purposes, in respect of the Acquisition.

7.2 The Purchaser shall indemnify the Seller, on a continuing basis, against all reasonably incurred direct costs, expenses (including reasonable legal expenses), damages, liabilities and losses, including any penalties and interest (*Costs*) (including, without limitation, in relation to any Claim), that the Seller suffers or incurs as a direct result of the occurrence of an Indemnity Event, excluding however any Costs resulting from the Seller's failure to duly, and in a timely manner, comply with: (i) a binding direction from the Italian tax authorities concerning the reporting of the Acquisition in compliance with the Reporting Obligations and the FTT Form Regulation and/or the payment of the FTT in respect of the Acquisition, or (ii) any agreement (other than this Protocol) between the Seller and Purchaser as to the allocation of responsibility for FTT Reporting Obligations and/or paying purposes in respect of the Acquisition. In no circumstances shall the Purchaser be liable to indemnify the Seller for loss of profit, goodwill or opportunity.

7.3 Payment under the indemnity in paragraph 7.2 shall be made by the Purchaser upon demand in writing by the Seller, provided that the Seller has provided to the Purchaser reasonable evidence to support its claim under the indemnity. For the avoidance of doubt, the Purchaser shall not be required to make payment under the indemnity any earlier than when the Seller actually suffers or incurs the relevant Costs, which shall be (i) in respect of the FTT, the due date set out in a formal payment notice received by the Seller from the Italian tax authorities (or the date upon which any Deferral Period expires, where applicable), and (ii) the due date for any other Costs.

7.4 The Seller undertakes to notify the Purchaser as soon as reasonably practicable of any Indemnity Event or circumstances which the Seller reasonably considers to be likely to give rise to an Indemnity Event.

7.5 Subject to paragraph 7.6 below, if the Seller requests indemnification from the Purchaser under paragraph 7.2:

- (a) the Seller shall have conduct of any proceedings, dispute or claim relating to the relevant Indemnity Event or potential Indemnity Event (a *Claim*);
- (b) the Seller agrees to use legal advisors reasonably satisfactory to the Purchaser, in relation to such Claim;
- (c) the Seller agrees to keep the Purchaser reasonably informed of the progress of, and consult with the Purchaser with respect to, issues relating to such Claim and shall in good faith consider any request from the Purchaser relating to such Claim, subject to the Seller being indemnified by the Purchaser for any associated costs (including, without limitation, the costs of providing any collateral to the Italian tax authorities in relation to FTT claimed by the Italian tax authorities from the Seller);

- (d) the Seller shall not settle or compromise, consent to the entry of any judgment in or otherwise seek to terminate such Claim without the Purchaser's prior written consent (such consent not to be unreasonably withheld or delayed); and
- (e) the Purchaser shall cooperate in good faith with the Seller in order to allow the Seller to defend and conduct such Claim.

7.6 If the Seller reasonably believes that there is an actual or potential conflict of interest between the Purchaser and the Seller in relation to a Claim or that any such conflict could reasonably be expected to arise, the Seller may upon written notice to the Purchaser revoke any obligation of the Seller under paragraph 7.5 above in respect of the Claim.

7.7 The Seller shall pay forthwith to the Purchaser any amount refunded to the Seller or otherwise recovered by the Seller from the Italian tax authorities that corresponds to an amount of FTT paid by the Purchaser to the Italian tax authorities or to Costs in respect of which the Purchaser has made a payment to the Seller under the indemnity in paragraph 7.2. If the Seller is entitled to any refund or recovery which would lead to it making a payment under this paragraph 7.7, it shall inform the Purchaser of such entitlement and shall on the request of the Purchaser use reasonable endeavours to obtain such recovery or refund, subject to the Seller being indemnified to its reasonable satisfaction by the Purchaser against any costs and expenses incurred in obtaining such recovery or refund.

7.8 The Seller cannot claim twice for the same Costs under the indemnity in paragraph 7.2.

7.9 The Purchaser and the Seller agree that nothing in this Protocol shall constitute advice on their tax or other obligations under Italian law, or on the legal, financial or regulatory consequences of the Protocol. The Purchaser and the Seller each agree that if they consider it necessary to seek advice, they will consult their own legal, tax and regulatory advisers as appropriate.

8. NO WAIVER

No failure or delay by an Adhering Party (whether by course of conduct or otherwise) to exercise any right, power or privilege under this Protocol shall operate as a waiver thereof nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege as herein provided.

9. NOTICES

9.1 Subject to any provision to the contrary in Section 3 above, any notice or other communication to be given by one Adhering Party to another in respect of this Protocol may be given in any manner set forth below to the address or number for the relevant Adhering Party or in accordance with the electronic messaging system details in each case as set out in that Adhering Party's Adherence Letter or most recent notice

of change of contact details published on the AFME Website (as applicable) and will be deemed effective as indicated:

- (a) if in writing and delivered in person or by courier, on the date it is delivered;
- (b) if sent by facsimile transmission, on the date that transmission is received by a responsible employee of the recipient in legible form (it being agreed that the burden of proving receipt will be on the sender and will not be met by a transmission report generated by the sender's facsimile machine);
- (c) if sent by certified or registered mail (airmail, if overseas) or the equivalent (return receipt requested), on the date that mail is delivered or its delivery is attempted; or
- (d) if sent by electronic messaging system, on the date that electronic message is received,

unless the date of that delivery (or attempted delivery) or the receipt, as applicable, is not a Business Day or that communication is delivered (or attempted) or received, as applicable, after 5.00 pm London time on a Business Day, in which case that communication shall be deemed given and effective on the first following day that is a Business Day.

9.2 An Adhering Party may from time to time give notice to AFME of any change of its contact details, as set out in its Adherence Letter. AFME shall, following receipt of any such notice, publish the conformed copy of the notice on the AFME Website.

10. RIGHTS OF THIRD PARTIES

Other than AFME, a person who is not an Adhering Party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any terms of this Protocol, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

11. LIMITATION OF LIABILITY

11.1 Neither AFME nor any of its officers, servants or agents will incur any liability to any Adhering Party, Former Adhering Party or any other person or be responsible for any loss, damage, expense or claim whatsoever suffered or incurred by any Adhering Party, Former Adhering Party or any other person as a result of performing or failing to perform any function under this Protocol (including, without limitation, the inability of any Adhering Party, Former Adhering Party or any other person to access the AFME Website for any reason) except to the extent that such liability, loss, damage, claim or expense is shown to be attributable to the fraud of AFME. Neither AFME nor any of its officers, servants or agents shall be liable for any loss of business, profit or consequential damage of any kind whatsoever.

11.2 In particular, but without prejudice to the generality of paragraph 11.1 above, AFME's role in effecting Adherence Confirmations or Withdrawal Confirmations or in publishing any changes to the contact details of Adhering Parties (as notified to

AFME) shall be limited to the publication of the conformed copies of any Adherence Letters, Withdrawal Letters, notices in the form of Exhibit 4 or notices of change of contact details, in the form received by AFME. AFME shall not be responsible for checking the accuracy of any such letters, notices, their conformity with the relevant Exhibit to this Protocol or their due execution.

12. AMENDMENTS

12.1 Without prejudice to paragraph 12.3, amendments to this Protocol may be made by AFME publishing the proposed amendment on the AFME Website at least 10 Business Days prior to such amendment taking effect. AFME shall, by 5.00 pm London time on any Business Day that it publishes a proposed amendment to this Protocol on the AFME Website, notify, via e-mail, each currently Adhering Party of the fact. Where an Adhering Party has failed to provide a valid working e-mail address to AFME for the purposes of this Protocol then AFME shall have no obligation to provide notice to such Adhering Party under this paragraph 12.1.

12.2 Without prejudice to paragraph 12.3, amendments to the Protocol will become effective upon AFME publishing the final amended version of the Protocol on the AFME Website, and each Adhering Party shall be bound by the terms of this Protocol as amended. If an Adhering Party does not accept the proposed amendment it may withdraw from the Protocol in accordance with the provisions of Section 4 prior to the amendment taking effect. AFME will, prior to publishing any proposed amendments to the Protocol, consult with Adhering Parties or a committee of Adhering Parties appointed for this purpose.

12.3 For 12 months after the effective date of this Protocol as specified in paragraph 1.7, AFME may make such amendments to this Protocol as it considers necessary or desirable to reflect any amendments to the Treasury Decree or any FTT regulations enacted by the tax authorities or any guidance given by the Italian Treasury or tax authorities in relation to the Law 228 or the Treasury Decree. Amendments to this Protocol made pursuant to this paragraph 12.3 shall become effective immediately upon AFME publishing an amended version of the Protocol on the AFME Website, and each Adhering Party shall be bound by the terms of this Protocol as amended. AFME may, but is not required to, consult with any Adhering Parties or give prior notice to Adhering Parties of any amendment to the Protocol made pursuant to this paragraph 12.3. Following publication of an amended version of the Protocol on the AFME Website, AFME will notify, via e-mail, each currently Adhering Party of the fact. Where an Adhering Party has failed to provide a valid working e-mail address to AFME for the purposes of this Protocol then AFME shall have no obligation to provide notice to such Adhering Party under this paragraph 12.3

12.4 No amendment, modification or waiver with respect to matters contemplated by this Protocol will be effective unless made in accordance with the terms of this Section 12.

13. TERMINATION

13.1 Adhering Parties agree that AFME may terminate this Protocol at any time following consultation with Adhering Parties or a committee of Adhering Parties

appointed for this purpose by publishing a notice of termination on the AFME Website, which shall specify the date on which such termination shall take effect.

13.2 Termination of the Protocol in accordance with paragraph 13.1 above shall be without prejudice to any rights or obligations of Adhering Parties which have accrued prior to such termination. In particular, but without limitation, termination of the Protocol shall not prejudice the accrued rights of an Adhering Party under Section 7 above, which shall survive any such termination.

14. GOVERNING LAW

This Protocol and any Adherence Letter, Disapplication Letter, Withdrawal Letter or notice of ceasing to be a White-Listed Investment Services Provider under paragraph 4.5 (together the *Protocol Documents*) and any non-contractual obligations arising out of or in relation to the Protocol Documents shall be governed by and construed in accordance with English law. The English courts shall have exclusive jurisdiction in relation to all disputes arising out of or in connection with this Protocol (including claims for set-off and counterclaims), including, without limitation, disputes arising out of or in connection with: (i) the creation, validity, effect, interpretation, performance or non-performance of, or the legal relationships established by, this Protocol; and (ii) any non-contractual obligations arising out of or in connection with this Protocol. For such purposes each Adhering Party irrevocably submits to the jurisdiction of the English courts and waives any objection to the exercise of such jurisdiction.

ITALIAN FTT EQUITIES PROTOCOL - EXHIBIT 1

Form of Adherence Letter

[Letterhead of Adhering Party]

FAO The Tax Division
Association for Financial Markets in Europe
39th Floor
25 Canada Square
London
E14 5LQ
United Kingdom

[Date]

Dear Sirs

AFME Italian Financial Transactions Tax Equities Protocol – Adherence Letter

1. ADHERENCE

The purpose of this letter is to declare our adherence and that of each other party whose name is listed in paragraph 2 below (for whom we act as agent for the purposes of this Adherence Letter), to the AFME Italian Financial Transactions Tax Equities Protocol (the *Protocol*).

By executing this letter, we make the representations set out in paragraph 5.1 of the Protocol and confirm our intention to be bound by the terms of the Protocol as amended from time to time. This letter constitutes an Adherence Letter as referred to in the Protocol.

The definitions and provisions contained in the Protocol are incorporated into this Adherence Letter.

2. PARTIES TO WHOM THIS ADHERENCE LETTER APPLIES

[Insert full legal names of all entities¹ [and [BIC code][DTC ID][Euroclear number][UK FSA number/SEC number/other regulator reference number][Legal Entity Identifier (LEI)]]² to become adherents to the Protocol]

Each party listed above shall be a separate Adhering Party.

¹ This must include the entity writing this letter. If the Protocol is to apply only to one or more branches of each legal entity, please make this clear and specify which branch or branches.

² For each entity, please provide as many of such identifiers as relevant.

3. APPOINTMENT AS ADMINISTRATOR AND RELEASE

We hereby appoint AFME as administrator for the limited purposes of the Protocol and accordingly we waive, and hereby release AFME from, any rights, claims, actions or causes of action whatsoever (whether in contract, tort or otherwise) arising out of or in any way relating to this Adherence Letter or our adherence to the Protocol or any actions contemplated as being required by AFME.

4. CONTACT DETAILS³

Our contact details for the purposes of the Protocol are:

Name:

FAO:

Address:

Telephone:

Fax:

E-mail:

We undertake to notify AFME of any changes to these details at any time throughout our adherence to the Protocol, by delivering to AFME by (i) certified or registered mail (or airmail, if overseas) or equivalent; (ii) courier; or (iii) personal delivery to AFME's address set out in this Adherence Letter, two copies of such notice: one a manually signed original and the other a conformed copy containing, in place of each signature, the printed or typewritten name of each signatory. In addition, we will send scanned pdf copies of the manually signed original and conformed copies of the notice of change of details to AFME at fttprotocol@afme.eu.

We agree to the publication by AFME of the conformed copy of any such notice.

5. OPTIONAL REPRESENTATION FOR EXECUTION ON A REGULATED MARKET OR MTF

[If you wish to make the Optional Representation and give the associated indemnity please check the box below. This representation will apply to all Covered Transactions unless you explicitly notify the other Adhering Party to a Covered Transaction at the time the transaction is entered into.]

Where the box is checked, we opt to give the Optional Representation as set out in paragraph 5.3 of the Protocol.

³ To the extent that each adhering entity does not share the same contact details, please provide the contact details for each adhering entity.

6. AGENT FOR SERVICE OF PROCESS⁴

We have appointed [*Insert details of agent for service of process*] as our agent for service of process and any other documents in proceedings in England. We [each] agree that we will at all times while we remain an Adhering Party to the Protocol maintain an agent for service of process and any other documents in proceedings in England. Any claim form, judgment or other notice of legal process will be sufficiently served on us if delivered to such agent at its address for the time being. We undertake not to revoke the authority of the above agent without giving prior notification to the AFME of a replacement agent.

We consent to the publication of the conformed copy of this letter by AFME and to the disclosure by AFME of the contents of this letter.

Yours faithfully

[ADHERING PARTY]

Signed by: _____
Name:
Title:

⁴ Non-UK Adhering Parties only. To the extent that each non-UK Adhering Party is not using the same agent, please modify this paragraph as necessary.

ITALIAN FTT EQUITIES PROTOCOL - EXHIBIT 2

Form of Disapplication Letter

[Letterhead of Adhering Party]

**To: FAO []
 [Name and address of Adhering Party to which the
 Disapplication Letter is being addressed]**

[Date]

Dear Sirs

**AFME Italian Financial Transactions Tax Equities Protocol – Disapplication
Letter**

The purpose of this letter is to notify you, that we and each other party whose name is listed below (for whom we act as agent for the purposes of this Disapplication Letter) wish to exclude the application of the AFME Italian Financial Transactions Tax Equities Protocol (the *Protocol*) with respect to any trades between you and each of us, from the date upon which this letter shall take effect in accordance with the Protocol.

This letter constitutes a Disapplication Letter as referred to in the Protocol.

Adhering Parties to whom this Disapplication Letter applies

Yours faithfully

[ADHERING PARTY]

Signed by: _____
 Name:
 Title:

ITALIAN FTT EQUITIES PROTOCOL - EXHIBIT 3

Form of Withdrawal Letter

[Letterhead of Adhering Party]

FAO The Tax Division
Association for Financial Markets in Europe
39th Floor
25 Canada Square
London
E14 5LQ
United Kingdom

[Date]

Dear Sirs

AFME Italian Financial Transactions Tax Equities Protocol – Withdrawal Letter

The purpose of this letter is to notify you that we and each other party listed below (for whom we act as agent for the purposes of this Withdrawal Letter) wish to withdraw from adherence to the AFME Italian Financial Transactions Tax Equities Protocol (the *Protocol*).

Adhering Parties to whom this Withdrawal Letter applies

[Insert full legal names of all entities [and [BIC code][DTC ID][Euroclear number][UK FSA number/SEC number/other regulator reference number][Legal Entity Identifier (LEI)]]⁵ withdrawing from to the Protocol]

This letter constitutes a Withdrawal Letter as referred to in the Protocol.

We consent to the publication of the conformed copy of this letter by AFME and to the disclosure by AFME of the contents of this letter.

Yours faithfully

[ADHERING PARTY]

⁵ This must include the entity writing this letter. If this letter applies only to one or more branches of each legal entity, please make this clear and specify which branch or branches. For each entity, please provide as many of such identifiers as relevant.

Signed by: _____

Name:

Title:

ITALIAN FTT EQUITIES PROTOCOL - EXHIBIT 4

Form of Notice of ceasing to be Investment Services Provider

[Letterhead of Adhering Party]

**To: FAO The Tax Division
Association for Financial Markets in Europe
39th Floor
25 Canada Square
London
E14 5LQ
United Kingdom**

[Date]

Dear Sirs,

**AFME Italian Financial Transactions Tax Equities Protocol – Notice of ceasing
to be a White-Listed Investment Services Provider**

The purpose of this letter is to notify you that we have ceased to be a White-Listed Investment Services Provider for the purposes of, and as defined in, the AFME Italian Financial Transactions Tax Equities Protocol (the *Protocol*).

We acknowledge that we shall cease to be an Adhering Party under the Protocol from the time of publication of this notice on the AFME Website.

We consent to the publication of the conformed copy of this letter by AFME and to the disclosure by AFME of the contents of this letter.

Yours faithfully

[ADHERING PARTY]

Signed by: _____
Name:
Title:

ITALIAN FTT EQUITIES PROTOCOL - EXHIBIT 5

Form of Optional Representation Notice

[Letterhead of Adhering Party]

**To: FAO The Tax Division
Association for Financial Markets in Europe
39th Floor
25 Canada Square
London
E14 5LQ
United Kingdom**

[Date]

Dear Sirs,

**AFME Italian Financial Transactions Tax Equities Protocol
Optional Representation Notice**

The purpose of this letter is to notify you that we opt to give the Optional Representation as set out in paragraph 5.3 the AFME Italian Financial Transactions Tax Equities Protocol (the *Protocol*).

We consent to the publication of the conformed copy of this letter by AFME and to the disclosure by AFME of the contents of this letter.

Yours faithfully

[ADHERING PARTY]

Signed by: _____
Name:
Title:

ITALIAN FTT EQUITIES PROTOCOL - EXHIBIT 6

Form of Optional Representation Withdrawal Notice

[Letterhead of Adhering Party]

**To: FAO The Tax Division
Association for Financial Markets in Europe
39th Floor
25 Canada Square
London
E14 5LQ
United Kingdom**

[Date]

Dear Sirs,

**AFME Italian Financial Transactions Tax Equities Protocol
Optional Representation Withdrawal Notice**

The purpose of this letter is to notify you that we are withdrawing the Optional Representation as set out in paragraph 5.3 the AFME Italian Financial Transactions Tax Equities Protocol (the *Protocol*).

We consent to the publication of the conformed copy of this letter by AFME and to the disclosure by AFME of the contents of this letter.

Yours faithfully

[ADHERING PARTY]

Signed by: _____
Name:
Title: