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THIS INDICATIVE TERM SHEET COMPRISES ONLY A SUMMARY OF THE TERMS OF THE PROPOSED GUARANTEED MANDATORY CONVERTIBLE BONDS (THE "BONDS"), WHICH ARE SUBJECT TO CHANGE. THE INFORMATION HEREIN IS INDICATIVE ONLY. ALTHOUGH THE INDICATIVE INFORMATION HEREIN IS REFLECTIVE OF THE TERMS OF THE BONDS CONTEMPLATED AS AT THE TIME OF COMMUNICATION, THERE IS NO ASSURANCE THAT THE BONDS WILL ACTUALLY BE ISSUED. THE BONDS WILL BE ISSUED ON THE BASIS OF THE FINAL TERMS AND CONDITIONS THAT ARE EXPECTED TO BE DELIVERED TO INVESTORS PRIOR TO OR UPON SETTLEMENT. BEFORE MAKING ANY INVESTMENT DECISION AND ENTERING INTO ANY TRANSACTION IN RELATION TO THE BONDS, YOU SHOULD TAKE STEPS TO ENSURE THAT YOU UNDERSTAND THE TRANSACTION AND HAVE MADE AN INDEPENDENT ASSESSMENT OF THE APPROPRIATENESS OF THE TRANSACTION IN THE LIGHT OF YOUR OWN OBJECTIVES. YOU SHOULD MAKE SURE THAT YOU HAVE SUFFICIENT INFORMATION AVAILABLE IN RELATION TO TELECOM ITALIA FINANCE S.A. AND TELECOM ITALIA S.P.A. BEFORE MAKING AN INVESTMENT IN THE BONDS.

8 November 2013



FINANCE



J.P.Morgan

Morgan Stanley

Pricing Term Sheet

**€ 1,300 million Telecom Italia
Guaranteed Subordinated Mandatory Convertible Bonds due 2016
convertible into ordinary shares of Telecom Italia S.p.A**

Issuer:	Telecom Italia Finance S.A (the "Issuer").
Guarantor:	Telecom Italia S.p.A. (the "Guarantor")
Security Offered:	Guaranteed Subordinated Mandatory Convertible Bonds due 2016 ("Bonds") having a principal amount ("Principal Amount") of € 100,000 each and mandatorily convertible into Ordinary Shares of the Guarantor as set out below (see "Shareholder Approvals" section below).
Underlying Shares:	<p>The ordinary shares ("Ordinary Shares") deliverable upon conversion of the Bonds will initially be up to 1,911,483,605 new or existing <u>ordinary shares</u> of the Guarantor.</p> <p>Bloomberg: TIT IM Equity Reuters: TIT.MI</p> <p>Ordinary Shares issued or delivered on conversion will be entitled to receive all dividends and other distributions payable by the Guarantor on the Ordinary Shares by reference to a record date falling after the relevant Delivery Date.</p>
Issuer Rating:	The Issuer is not rated.
Guarantor Rating:	Ba1 (Outlook Negative) by Moody's. BBB- (Outlook CreditWatch Negative) by S&P.

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	BBB- (Outlook Negative) by Fitch.
Bond Rating:	The Bonds are expected to be rated BB by S&P.
Currency:	Euro ("€").
Aggregate Principal Amount:	€ 1,300 million.
Minimum Conversion Price:	€ 0.6801 (initially equal to the Ordinary Share Reference Price).
Maximum Conversion Price:	€ 0.8331 (equal to 122.5% of the Minimum Conversion Price).
Ordinary Share Reference Price:	€ 0.6801, being the VWAP of the Ordinary Shares on the Milan Stock Exchange on 8 November 2013.
Maximum Conversion Ratio:	Initially equal to 147,037.2004 per Bond (being the Principal Amount divided by the Minimum Conversion Price).
Minimum Conversion Ratio:	Initially equal to 120,033.6094 per Bond (being the Principal Amount divided by the Maximum Conversion Price).
Launch Date:	7 November 2013.
Pricing Date:	8 November 2013.
Expected Settlement Date:	15 November 2013.
Maturity Date:	15 November 2016 (3 years from the issue date of the Bonds (the "Settlement Date"))
Issue Price:	100%.
Form:	The Bonds will be in registered form.
Status of the Bonds:	<p>The obligations of the Issuer under the Bonds constitute direct, unsecured and subordinated obligations of the Issuer and, in the event of the winding-up, insolvency, dissolution or liquidation of the Issuer, rank:</p> <ul style="list-style-type: none">(a) senior only to the Issuer's ordinary shares;(b) pari passu among themselves and with the Issuer's payment obligations under any Issuer Parity Securities; and(c) junior to all other payment obligations of the Issuer, present and future, whether subordinated or unsubordinated, <p>in each case except as otherwise provided by mandatory provisions of applicable law.</p> <p>"Issuer Parity Securities" means:</p> <ul style="list-style-type: none">(a) any securities or other instruments issued by the Issuer which rank, or are expressed to rank, pari passu with the Issuer's obligations under the Bonds; or(b) any securities or other instruments issued by a Subsidiary (as defined under "Status of the Guarantee" below) which have the benefit of a guarantee or similar instrument from the Issuer, which guarantee or similar instrument ranks or is expressed to rank pari passu with the Issuer's obligations under the Bonds (but excluding any such securities or other instruments issued to the Guarantor or any other member of the Group by the relevant Subsidiary),

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and includes the Savings Shares Bonds.

"Savings Shares Bonds" means the Euro-denominated Guaranteed Subordinated Mandatory Convertible Bonds due 2016 of the Issuer, which are expected to be issued on the Settlement Date and to be convertible into savings shares (*azioni di risparmio*) of the Guarantor.

Guarantee and Undertaking by Guarantor:

The Guarantor, against payment of a guarantee fee by the Issuer, will unconditionally and irrevocably guarantee to each Holder (i) the due and punctual payment of all sums from time to time payable under the Bonds, and (ii) the delivery of Ordinary Shares from time to time deliverable upon conversion of the Bonds, in each case in accordance with the terms and conditions of the Bonds (the "Terms and Conditions") (including, without limitation, the payment of any Cash Settlement Amount).

In particular, the Guarantor will irrevocably undertake to deliver to each Holder, subject to approval of the Shareholder Resolutions, the relevant number of Ordinary Shares following conversion of the Bonds in accordance with the Terms and Conditions (the "Undertaking").

Such Ordinary Shares will be paid up by way of the payment of the relevant amount by the Issuer to the Guarantor in the name of and for the account of each Holder on the relevant Delivery Date, or by means of a set-off of the amount due under the Guarantee on the relevant Delivery Date.

Status of the Guarantee:

The obligations of the Guarantor under the Guarantee will constitute direct, unsecured and subordinated obligations of the Guarantor and, in the event of the winding-up, insolvency, dissolution or liquidation of the Guarantor, rank:

- (i) senior only to the Guarantor's payment obligations in respect of any Guarantor Junior Securities,
- (ii) *pari passu* among themselves and with the Guarantor's payment obligations in respect of any Guarantor Parity Securities; and
- (iii) junior to all other payment obligations of the Guarantor, present and future, whether subordinated or unsubordinated,

in each case except as otherwise provided by mandatory provisions of law.

"Guarantor Junior Securities" means:

- (I) the ordinary shares (*azioni ordinarie*) of the Guarantor;
- (II) any other class of the Guarantor's share capital (including savings shares (*azioni di risparmio*) and preferred shares (*azioni privilegiate*)); and
- (III) (A) any securities of the Guarantor (including *strumenti finanziari* issued under Article 2346 of the Italian Civil Code) and (B) any securities issued by a Subsidiary which have the benefit of a guarantee or similar instrument from the Guarantor, which securities, guarantee or similar instrument, rank or are expressed to rank *pari passu* with the claims described under (i.) and (ii.) above and/or junior to the Guarantee (but excluding, in the case of (B), any such securities issued to the Guarantor or any other member of the Group by the relevant Subsidiary).

"Guarantor Parity Securities" means:

- (i) any securities or other instruments issued by the Guarantor which rank, or are expressed to rank, *pari passu* with the Guarantor's obligations under the Guarantee; and
- (ii) any securities or other instruments issued by a Subsidiary which have the benefit of a guarantee or similar instrument from the Guarantor, which guarantee or

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similar instrument ranks or is expressed to rank *pari passu* with the Guarantor's obligations under the Guarantee (but excluding any such securities or shares issued to the Guarantor or any other member of the Group by the relevant Subsidiary), including the Guarantor's guarantee in respect of the Savings Shares Bonds, and includes the Guarantor's €750,000,000 Capital Securities due 2073.

"**Group**" means the Guarantor and the Subsidiaries from time to time.

"**Subsidiary**" means a corporation in respect of which more than 50% of the outstanding voting shares or equity interest having by the terms thereof ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether at the time shares of any other class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time directly or indirectly owned or controlled by the Guarantor or by one or more of its Subsidiaries or by the Guarantor and one or more Subsidiaries.

Interest:

The Bonds will bear interest from and including the Settlement Date at a rate of 6.125% of their principal amount per annum, which is scheduled to be paid in arrear on 15 November 2014, 15 November 2015 and 15 November 2016 (each, an "**Interest Payment Date**").

In the event of a Mandatory Conversion on the Maturity Date (as described below), interest will accrue on the Bonds to (but excluding) the Maturity Date. In the event of an Accelerated Conversion, an Early Mandatory Conversion at the Option of the Issuer or any Voluntary Conversion Following a Special Event (all as described below) interest will accrue on the Bonds to (but excluding) the relevant Delivery Date.

If a Holder exercises its Voluntary Conversion at the Option of the Holder (as described below) in respect of any Bond (save in the case of a voluntary conversion following a Special Event), such Bond will cease to bear interest from and including the Interest Payment Date immediately preceding the Delivery Date or, if none, the Settlement Date.

"**Delivery Date**" means the date for the delivery of any Ordinary Shares and/or Cash Settlement Amount to the Holders pursuant to the Terms and Conditions.

Day Count Fraction:

Actual/Actual.

Deferral of Interest Amounts:

The Issuer may, at its sole discretion, elect to defer all, or any part, of the payment of the relevant interest amount scheduled to be paid on any Interest Payment Date.

In the event of such deferral, such interest amount shall remain owing and constitute "**Arrears of Interest**". Arrears of Interest shall not bear interest.

Payment of Arrears of Interest:

The Issuer may elect to pay in cash any or all Arrears of Interest at any time.

All (but not some only) of any outstanding Arrears of Interest shall become due and payable in full and shall (save as described under "Accelerated Conversion" below) be paid in cash on the first occurring Mandatory Settlement Date.

"**Mandatory Settlement Date**" means, in respect of any Bond, the earliest of:

- a) the date on which a Compulsory Arrears of Interest Settlement Event occurs;
- b) the next scheduled Interest Payment Date on which the Issuer does not elect to defer all of the interest scheduled to be paid on that Interest Payment Date; or
- b) the date on which that Bond is converted or falls due for conversion; or
- c) the date on which the Bonds are redeemed or repaid or on the occurrence of an

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Event of Default.

A "**Compulsory Arrears of Interest Settlement Event**" shall occur if:

- (A) a dividend (either interim or final), or any other distribution or payment was validly resolved on, declared, paid or made in respect of any Guarantor Junior Securities, except where (x) such dividend, other distribution or payment was required to be resolved on, declared, paid or made in respect of any stock option plans or employees' share schemes of the Guarantor or (y) the Guarantor is obliged under the terms of such securities to make such dividend, distribution or other payment; or
- (B) a dividend (either interim or final), or any other distribution or payment was validly resolved on, declared, paid or made in respect of any Guarantor Parity Securities, except where such dividend, distribution or payment was required to be declared, paid or made under the terms of such Guarantor Parity Securities; or
- (C) the Guarantor has repurchased or otherwise acquired Guarantor Junior Securities, except where (x) such repurchase or acquisition was undertaken in respect of any stock option plans or employees' share schemes of the Guarantor or (y) the Guarantor is obliged under the terms of such Guarantor Junior Securities to make such repurchase or acquisition; or
- (D) the Guarantor, or any Subsidiary, has repurchased or otherwise acquired any Guarantor Parity Securities, except where such repurchase or acquisition is effected as a public cash tender offer or public exchange offer at a purchase price per security which is below its par value.

Conversion Right:

For each Bond, subject as set out under "*Cash Settlement*" below, the Holder will be entitled to require the Issuer to convert such Bond into Ordinary Shares at the relevant Conversion Ratio described below (such Ordinary Shares to be delivered by the Guarantor in accordance with the Undertaking).

Prior to delivery of the Physical Settlement Notice, upon exercise by any Holder of a Conversion Right the Issuer will pay the relevant Holder exercising its Conversion Right the Cash Settlement Amount.

Shareholder Approvals:

The Guarantor will convene an Extraordinary General Meeting (the "**EGM**") to be held no later than 28 February 2014 (the "**Specified Date**") to seek shareholders' approval, pursuant to article 2441 of the Italian Civil Code in respect of the increase in share capital of the Guarantor and the disapplication of preferential subscription rights to enable the issue of Ordinary Shares on conversion of the Bonds (the "**Shareholder Resolutions**").

Following the passing of the Shareholder Resolutions, the Issuer shall - within 5 Trading Days of registration by the Guarantor of the Shareholder Resolutions with the competent register - give notice to Holders (the "**Physical Settlement Notice**") that in respect of conversions where the Delivery Date falls after the giving of such notice, the Guarantor will deliver Ordinary Shares in respect of such conversion in accordance with the Undertaking (and not a Cash Settlement Amount).

For the avoidance of doubt, all conversions where the Delivery Date falls after the giving of the Physical Settlement Notice, will (save as set out under "*Conversion Ratio Adjustment*" below) be settled by delivery of Ordinary Shares and not cash.

Fair Market Call:

The Issuer may, by giving notice no later than 10 days after the Specified Date (the "**Shareholder Resolutions Notice**") if the Shareholder Resolutions are not passed by the Specified Date, elect to redeem all but not some only of the Bonds at (i) 102% of

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the principal amount of the Bonds, together with accrued interest and any Arrears of Interest (as described below) plus (ii) if the Current Conversion Value of the Bonds being redeemed exceeds their Initial Conversion Value, an amount equal to 85% of the amount determined by subtracting the Initial Conversion Value of such Bonds from their Current Conversion Value.

"Initial Conversion Value" means the product of (i) the Minimum Conversion Ratio and (2) the Ordinary Share Reference Price.

"Current Conversion Value" means the product of (1) the Minimum Conversion Ratio and (2) the simple arithmetic average of the VWAPs in respect of the Ordinary Shares during the Bond Calculation Period, rounded to two decimal places with Euro 0.005 being rounded upwards.

"Bond Calculation Period" means the period of 5 consecutive Trading Days ending on the third Trading Day prior to the relevant Fair Market Call Redemption Date.

Cash Settlement:

Where, in respect of any conversion of Bonds, the relevant Delivery Date falls prior to the giving of the Physical Settlement Notice, in lieu of the delivery of Ordinary Shares by the Guarantor to the relevant Holder, the Issuer shall make payment of the Cash Settlement Amount, together with any other amount payable by the Issuer to such Holder pursuant to the Terms and Conditions in respect of or relating to the relevant conversion.

"Cash Settlement Amount" means an amount in Euros calculated in accordance with the following formula and which shall be payable by the Issuer to a Holder in respect of the relevant Cash Settled Shares.

$$CSA = \sum_{n=1}^N \frac{1}{N} \times S \times P_n$$

Where:

CSA= the Cash Settlement Amount;

S = the Cash Settled Shares;

P_n = the VWAP of an Ordinary Share on the nth Trading Day of the Cash Settlement Calculation Period; and

N = 20, being the number of Trading Days in the Cash Settlement Calculation Period

"Cash Settled Shares" means, in respect of any conversion, the number of Ordinary Shares determined as provided in the Terms and Conditions and as summarised herein in respect of such conversion.

"Cash Settlement Calculation Period" means, a period of 20 consecutive Trading Days determined as provided in the Terms and Conditions on the basis of the relevant conversion event.

"Trading Day" means each day on which the Milan Stock Exchange or such other stock exchange where the Ordinary Shares are predominantly traded from time to time is open for business.

Mandatory Conversion on the Maturity Date:

Provided the Issuer has given a Physical Settlement Notice, the Bonds will only be redeemable by conversion into Ordinary Shares that will be delivered by the Guarantor in accordance with the Undertaking, except in respect of fractions and in the case of an Event of Default. Each Bond not converted before the day which is, on such day,

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expected to be the 25th Trading Day prior to the Maturity Date will be mandatorily converted on the Maturity Date into a number of Ordinary Shares that will be delivered by the Guarantor in accordance with the Undertaking equal to the Relevant Conversion Ratio. On the Maturity Date, the Issuer will, in addition, pay any Arrears of Interest and any other accrued and unpaid interest to, but excluding, the Maturity Date.

The "**Relevant Conversion Ratio**" or "**ReICR**" in respect of a Bond equals the arithmetic average of the 20 Daily Relevant Conversion Ratios (calculated to five decimal places) calculated on the basis of the VWAP on each of the 20 consecutive Trading Days preceding the third Trading Day prior to the Maturity Date.

"**VWAP**" means the Volume Weighted Average Price per Ordinary Share (*prezzo ufficiale*) on the relevant Trading Day on the Milan stock exchange.

For the purposes of calculating such arithmetic average, the "**Daily Relevant Conversion Ratio**" in respect of a Bond for a given Trading Day is determined as follows:

- (i) if the VWAP is less than or equal to the Minimum Conversion Price, the Daily Relevant Conversion Ratio shall be equal to the Maximum Conversion Ratio;
- (ii) if the VWAP is greater than or equal to the Maximum Conversion Price, the Daily Relevant Conversion Ratio shall be equal to the Minimum Conversion Ratio; and
- (iii) if the VWAP is greater than the Minimum Conversion Price but less than the Maximum Conversion Price, the Daily Relevant Conversion Ratio shall be equal to the Principal Amount divided by the VWAP.

The Minimum Conversion Price, the Maximum Conversion Price and, conversely, the Minimum Conversion Ratio and the Maximum Conversion Ratio are subject to adjustments upon the occurrence of certain events affecting the Ordinary Shares in accordance with applicable anti-dilution and adjustment provisions (see "*Conversion Ratio Adjustment*" below).

Accelerated Conversion:

Upon the occurrence of an Accelerated Conversion Event (as defined below) prior to the day which is, on such day, expected to be the 25th Trading Day immediately preceding the Maturity Date, the Issuer shall notify the Holders in accordance with the Terms and Conditions, and (subject as set out under "*Cash Settlement*" above) the outstanding Bonds shall be converted into Ordinary Shares (to be delivered by the Guarantor in accordance with the Undertaking) by reference to the Maximum Conversion Ratio and the Issuer shall pay a cash amount equal to the sum of (i) the Make-whole Amount (ii) any outstanding Arrears of Interest plus (iii) any accrued interest.

Upon the occurrence of an Accelerated Conversion Event the Issuer may elect to settle any outstanding Arrears of Interest in Ordinary Shares (to be delivered by the Guarantor in accordance with the Undertaking). Should the Issuer make such an election, the Guarantor will deliver to Bondholders a number of Ordinary Shares equal to (i) the outstanding Arrears of Interest divided by (ii) 99% of the Current Market Value.

"**Current Market Value**" means the arithmetic average of the VWAP of an Ordinary Share on the 20 consecutive Trading Days commencing on the third Trading Day after the day on which the Accelerated Conversion Event occurs.

Accelerated Conversion Events:

- (i) The corporate credit rating of the Guarantor from any of Moody's Investors Service Limited ("**Moody's**"), Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. ("**S&P**") and Fitch Ratings Limited ("**Fitch**"), or any of their respective successors (each a "**Rating Agency**") falls below B1

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(in the case of Moody's) and below BB- (in the case of S&P and Fitch) or is withdrawn and the Guarantor does not within a 30 day period subsequently (in the case of a downgrade) receive a rating of B1/BB-/BB- (or higher) by such Rating Agency, or (in the case of a withdrawal) the rating is not reinstated to a rating of B1/BB-/BB- (or higher) by such Rating Agency within a 30 day period subsequent to such withdrawal (a "Rating Event").

- (ii) Failure to make any payment under the Bonds when due if this failure continues for more than 30 days in the case of interest and 10 days for any other payment, or failure to deliver any Ordinary Shares on the voluntary conversion of a Bond (including Voluntary Conversion Following a Special Event) in accordance with the Terms and Conditions if this failure continues for more than 10 days.
- (iii) Breach of other obligations under the Terms and Conditions which breach is incapable of remedy or not remedied within 30 days.

Make-whole Amount:

An amount per Bond calculated by the Calculation Agent and equal to the value of the embedded option right that has not yet been compensated for up to the relevant Delivery Date. For purposes of simplification, this value will be calculated pursuant to the following formula:

$$M = A \times \frac{c}{t}$$

where:

M = the Make-whole Amount;

A = the amount of EUR 17,125.8620;

c = the number of days from and including the relevant Delivery Date to but excluding the Maturity Date; and

t = the number of days from and including the Settlement Date to but excluding the Maturity Date.

Early Conversion at the Option of the Issuer:

The Issuer may elect to trigger the conversion of the Bonds into Ordinary Shares (subject as set out under "Cash Settlement" above) at any time after the 40th day after the Settlement Date until 4.00 p.m. CET on the Business Day preceding the 40th Trading Day prior to the Maturity Date at the then prevailing Maximum Conversion Ratio (i.e. initially 147,037.2004) by giving not less than 30 and not more than 60 days' advance notice. Upon such early conversion of the Bonds, in addition to the delivery of the Ordinary Shares by the Guarantor in accordance with the Undertaking, the Issuer shall pay to Holders a cash amount equal to the sum of (i) the Make-whole Amount, (ii) any outstanding Arrears of Interest, plus (iii) any accrued interest.

Voluntary Conversion at the Option of Holders:

The Bonds may at the option of each Holder be converted into Ordinary Shares (subject as set out under "Cash Settlement" above) at any time after the 40th day after the Settlement Date until 4.00 p.m. CET on the Business Day preceding the 40th Trading Day prior to the Maturity Date. In this case Holders exercising their conversion right are entitled (subject as set out under "Cash Settlement" above) to receive such number of Ordinary Shares which is equal to the Minimum Conversion Ratio for each Bond (except in the case of a Voluntary Conversion Following a Special Event in which case the provisions set out below under "Voluntary Conversion Following a Special Event" apply). Upon any such voluntary conversion, the Issuer shall also pay to the relevant Holders a cash amount equal to any outstanding Arrears of Interest.

The exercise of the voluntary conversion right shall be excluded during any of the

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following periods (each an "Excluded Period"):

- (a) in connection with any shareholders' meetings of the Guarantor (i) in the case of a shareholders' meeting convened to resolve upon the distribution of Dividends, the period from and including the date in which the board of directors of the Guarantor resolves to convene the shareholders' meeting (x) to and including the date immediately preceding the relevant ex date for the payment of the Dividend approved at the relevant shareholders' meeting or (y) if the resolution is not approved at the meeting, to but excluding the Business Day following such shareholders' meeting, or (ii) in the case of any other shareholders' meeting, the period from and including the date on which the board of directors of the Guarantor resolves to convene the shareholders' meeting to but excluding the Business Day following such shareholders' meeting; and
- (b) a period commencing on the date on which an offer by the Guarantor to its shareholders inviting them to subscribe to shares, warrants on own shares or bonds with conversion or option rights or obligations or profit participation rights is announced, and ending on the last day of the subscription period (both dates inclusive).

In the case of any conversion of Bonds prior 4.00 p.m. CET on the Business Day preceding the 40th Trading Day prior to the Maturity Date, each Bondholder will, in the relevant Conversion Notice, be required to represent and warrant that, at the time of signing and delivery of the relevant Conversion Notice, (A) it understands that the Ordinary Shares to be issued upon conversion of the Bonds have not been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") and (B) it is not a U.S. person nor acting for the account or benefit of a U.S. person and is located outside the United States within the meaning of Regulation S ("Regulation S") under the Securities Act, is acquiring the Ordinary Shares to be issued upon conversion of the Bonds in an offshore transaction (as defined in Regulation S) in accordance with Rule 903 or 904 of Regulation S and understands that the Ordinary Shares may not be delivered within the United States (within the meaning of Regulation S) and may not be resold in the United States except pursuant to an exemption from the registration requirements of the Securities Act.

**Voluntary Conversion
Following a Special Event:**

Following occurrence of a Special Event (as defined below), each Holder may, at any time during the period commencing on the occurrence of the relevant event and ending 60 calendar days thereafter or, if later, 60 calendar days following the day on which notice is given to the Holders of the relevant event (the "Special Event Conversion Period"), exercise its Conversion Right with respect to each Bond (subject as set out under "Cash Settlement" above) at the Special Event Conversion Ratio. In this case the Issuer will pay any interest accrued until the end of the day immediately preceding the Delivery Date and any outstanding Arrears of Interest together with the Ordinary Shares delivered on such conversion by the Guarantor in accordance with the Undertaking (or, as applicable, together with payment of the relevant Cash Settlement Amount).

The "Special Event Conversion Ratio" or "SECR" will be determined by the Calculation Agent in accordance with the following formula:

$$SECR = ReICR + (MaxCR - ReICR) \times c/t$$

Where

"c" and "t" have the meaning set forth in the definition of the term Make-whole Amount;

"ReICR" is the Relevant Conversion Ratio (defined above under "Mandatory Conversion on the Maturity Date"); and

"MaxCR" is the Maximum Conversion Ratio (as defined above).

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"**Special Event**" means the occurrence of:

- (a) a Free Float Event; or
- (b) an Acquisition of Control.

"**Free Float Event**" shall occur if on each Trading Day in any period of not less than 30 consecutive Trading Days the Free Float is equal to or less than 50% of the total number of issued and outstanding Ordinary Shares of the Guarantor (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 Guarantor or any of its subsidiaries shall be treated as not "issued and outstanding".

"**Free Float**" means the aggregate number of Ordinary Shares held by persons that own (together with any other person or persons with whom they act in concert) Ordinary Shares representing less than 5 per cent, of the total number of issued and outstanding Ordinary Shares, and where (i) references to "Ordinary Shares" shall include Ordinary Shares represented by outstanding depositary receipts or certificates representing Ordinary Shares and; (ii) Ordinary Shares held by or on behalf of any depositary from time to time shall be treated as being held by the holder of the relevant depositary receipts or certificates representing Ordinary Shares, and not by the depositary.

"**Acquisition of Control**" means the acquisition, either by way of public tender offer, private arrangement or otherwise, of Control of the Guarantor by any third party other than:

- (i) any shareholder of the Guarantor holding directly or indirectly as at the Issue Date more than 13% of the voting rights exercisable in the ordinary shareholders meeting of the Guarantor; and/or
- (ii) the direct or indirect majority shareholder of such shareholder as at the Settlement Date; and/or
- (iii) a pool of investors that include Telefonica S.A., Assicurazioni Generali S.p.A., Intesa Sanpaolo S.p.A. and Mediobanca S.p.A. (including also any of their subsidiaries) that are party to a shareholders' agreement dated 29 February 2012 and amended on 24 September 2013 published in accordance with Article 122 of the Italian Legislative Decree No. 58 of 24 February 1998, as amended and Article 130 of the CONSOB Regulation no. 11971/99; and/or
- (iv) any single shareholder or combination of shareholders referred to in subparagraph (i) and/or (ii) and/or (iii) above ("**Permitted Acquiring Shareholders**"), also acting jointly with any third parties provided that in such case the Permitted Acquiring Shareholders hold at least Joint Control of the Guarantor.

"**Control**" shall be construed as the power (whether by way of ownership of shares, proxy, contract or other binding arrangement) to:

- (i) cast, or control the casting of, more than one-half of the maximum number of votes that might be cast at a general meeting of that company or corporation; or
- (ii) appoint or remove all, or the majority, of the directors of that company or corporation; or
- (iii) give directions with respect to the operating and financial policies of that company or corporation which the directors of that company or corporation are obliged to comply with,

pursuant to subparagraphs 1(1) and 1(2) of Article 2359 of the Italian Civil Code.

Fractions:

The number of Ordinary Shares to be delivered to any Holder upon voluntary and mandatory conversion is calculated by reference to the aggregate number of Bonds

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converted by (or, in the case of a mandatory conversion, held by) such Holder.

Events of Default:

If any of the following events occurs, the Bonds shall immediately become due and payable at the Redemption Amount, together with accrued interest (if any) to the date of repayment and outstanding Arrears of Interest, if any:

- (a) an order is made or an effective resolution is passed for the voluntary or judicial winding up, dissolution or liquidation of the Issuer or the Guarantor or restructuring of the Issuer's or the Guarantor's liabilities pursuant to any insolvency proceedings or equal or analogous proceedings or under any applicable bankruptcy or insolvency law or if the Issuer or the Guarantor is liquidated for any other reason; or
- (b) the Guarantee is not in full force and effect.

Inability of the Guarantor to Deliver Ordinary Shares:

Should the Guarantor become legally barred from delivering or otherwise be unable to deliver Ordinary Shares upon conversion of the Bonds the rights and claims that the Holders would otherwise have to convert their Bonds into Shares shall be suspended provided that the Bonds shall continue to bear interest. Such suspension shall not affect any other claim or right of the Holders pursuant to the Terms and Conditions.

If as a result of a liquidation event occurring in relation to the Guarantor, the Guarantor is unable to deliver Ordinary Shares to the Holders, the claims of each Holder against the Issuer and the Guarantor for the delivery of Ordinary Shares shall be converted into a monetary claim against the Issuer and the Guarantor equal to the Redemption Amount per Bond.

"Redemption Amount" means the product of (x) the Current Market Value and (y) the Maximum Conversion Ratio (without rounding, including fractions of shares).

"Current Market Value" means in respect of one Ordinary Share the value of such Ordinary Share, determined on the basis of the simple arithmetic average of the VWAPs during a period of 20 consecutive Trading Days ending on the second Trading Day prior to the day on which the insolvency event occurs, rounded to two decimal places with €0.005 being rounded upwards.

Conversion Ratio Adjustment:

Standard market convertible anti-dilution adjustments relating to the Ordinary Shares, including for any Cash Dividends, provided that, for so long as the Ordinary Shares have a nominal value, the Conversion Price shall in no event fall below such nominal value (€0.55 at the time of launch).

If the Conversion Price post-adjustment is lower than the nominal value of the Ordinary Shares, in addition to delivering to each Holder a number of Ordinary Shares calculated on the basis of a Conversion Price at such nominal value, the Issuer shall pay to such Holder an amount reflecting the cash value of such additional number of Ordinary Shares that such Holder would have received if the Conversion Price was as originally adjusted.

In addition, if, as a result of adjustments to the Conversion Ratio, the number of Ordinary Shares deliverable upon conversion of the Bonds exceeds the number of Ordinary Shares that the Guarantor has available for delivery, the Issuer shall pay to a Bondholder the cash value of the number of Ordinary Shares otherwise deliverable (but which may not be so delivered) to such Bondholder upon conversion of its Bonds.

"Cash Dividend" means the total amount of any cash dividend (calculated on a per share basis) paid by the Guarantor prior to deduction of any withholding tax.

Cross Defaults:

None.

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Tax Gross-up:	Yes, subject to customary exceptions.
Issuer Tax Call:	None.
Business Day:	" Business Day " means a day (other than a Saturday or Sunday) on which (a) the Trans-European Automated Real-time Gross-settlement Express Transfer System (TARGET2) and (b) the Clearing Systems settle payments, and (c) commercial banks and foreign exchange markets in Milan and Luxembourg are open for business.
Governing Law:	The Bonds will be governed by, and shall be construed in accordance with, English law, other than the provisions of the Conditions which relate to subordination a which will be governed by, and shall be construed in accordance with, Luxembourg law (in the case of the Issuer) and Italian law (in the case of the Guarantor).
Listing of the Bonds:	Application will be made to admit the Bonds to trading on an internationally recognized, regularly operating, regulated or non-regulated, stock exchange, as determined by the Issuer, no later than March 2014.
Selling Restrictions:	US: Reg S only (Cat 2), subject to certain limited exceptions. No Rule 144A. Standard selling restrictions in EEA and elsewhere.
Lock-up:	From the Launch Date until 90 days after the Settlement Date, for shares and convertible securities, subject to customary exceptions such as employees' share plans.
Joint Bookrunners:	BNP Paribas, J.P. Morgan and Morgan Stanley
Co-Bookrunners:	Intesa Sanpaolo S.p.A; Mediobanca - Banca Di Credito Finanziario S.p.A.; Deutsche Bank AG; Credit Suisse Securities (Europe) Limited; Unicredit Bank AG; Citigroup Global Markets Limited; UBS Limited
Settlement agent:	Morgan Stanley
Stabilisation:	FCA
Principal Paying, Transfer and Conversion Agent:	BNP Paribas Securities Services, Luxembourg Branch
Calculation Agent:	Conv-Ex Advisors Limited
Trustee:	BNP Paribas Trust Corporation UK Limited
Use of Proceeds:	Proceeds from the issuance of the Bonds will be used by the Issuer for its general corporate purposes and may not be used to provide any form of financing to, or guarantee in favour of, the Guarantor.
Security Codes:	ISIN: XS0994433240 Common Code: 099443324

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REPRESENTATIONS BY INVESTORS

AN INVESTMENT IN THE BONDS INCLUDES A SIGNIFICANT DEGREE OF RISK. IN MAKING ANY DECISION TO PURCHASE THE BONDS, AN INVESTOR WILL BE DEEMED (A) TO HAVE SUCH BUSINESS AND FINANCIAL EXPERIENCE AS IS

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REQUIRED TO GIVE IT THE CAPACITY TO PROTECT ITS OWN INTERESTS IN CONNECTION WITH THE PURCHASE OF THE BONDS, (B) NOT TO HAVE RELIED ON (I) ANY INVESTIGATION THAT THE MANAGERS OR ANY OF THEIR RESPECTIVE AFFILIATES, OR ANY PERSON ACTING ON BEHALF OF THE MANAGERS OR ANY OF THEIR RESPECTIVE AFFILIATES, MAY HAVE CONDUCTED WITH RESPECT TO THE ISSUER, THE GUARANTOR OR THE BONDS, OR (II) ANY DISCUSSIONS, NEGOTIATIONS OR OTHER COMMUNICATIONS ENTERED INTO WITH, OR ANY OTHER WRITTEN OR ORAL INFORMATION MADE AVAILABLE BY ANY OF THE MANAGERS OR THEIR RESPECTIVE OFFICERS, EMPLOYEES OR AGENTS (C) TO HAVE MADE ITS OWN INVESTMENT DECISION REGARDING THE BONDS, THE GUARANTEE AND/OR THE ORDINARY SHARES TO BE ISSUED UPON CONVERSION OF THE BONDS (TOGETHER, THE "SECURITIES") BASED ON ITS OWN KNOWLEDGE, INVESTIGATION AND ASSESSMENT OF THE ISSUER, THE GUARANTOR, THEIR RESPECTIVE SUBSIDIARIES, THE TERMS OF THE BONDS AND THE TERMS OF THE PLACEMENT OF THE BONDS, AND BASED ON SUCH OTHER PUBLICLY AVAILABLE INFORMATION IT DEEMS NECESSARY, APPROPRIATE AND SUFFICIENT (AND WHICH IT CONFIRMS IT HAS BEEN ABLE TO ACCESS, READ AND UNDERSTAND) AND (D) TO CONSULT ITS OWN INDEPENDENT ADVISORS OR OTHERWISE SATISFY ITSELF CONCERNING, WITHOUT LIMITATION, ACCOUNTING, REGULATORY, TAX OR OTHER CONSEQUENCES IN THE LIGHT OF ITS PARTICULAR SITUATION UNDER THE LAWS OF ALL RELEVANT JURISDICTIONS GENERALLY.

THIS DOCUMENT IS DIRECTED EXCLUSIVELY AT MARKET PROFESSIONALS AND INSTITUTIONAL INVESTORS AND IS FOR INFORMATION PURPOSES ONLY AND IS NOT TO BE RELIED UPON IN SUBSTITUTION FOR THE EXERCISE OF INDEPENDENT JUDGEMENT. IT IS NOT INTENDED AS INVESTMENT ADVICE AND UNDER NO CIRCUMSTANCES IS IT TO BE USED OR CONSIDERED AS AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITY NOR IS IT A RECOMMENDATION TO BUY OR SELL ANY SECURITY. HOWEVER, THE ISSUER AND THE GUARANTOR HAVE TAKEN ALL REASONABLE CARE TO ENSURE THAT THE FACTS STATED IN THIS DOCUMENT ARE TRUE AND ACCURATE IN ALL MATERIAL RESPECTS AND ACCEPT RESPONSIBILITY FOR SUCH STATEMENTS.

ANY DECISION TO PURCHASE ANY OF THE BONDS SHOULD ONLY BE MADE ON THE BASIS OF AN INDEPENDENT REVIEW BY A PROSPECTIVE INVESTOR OF THE ISSUER'S AND THE GUARANTOR'S PUBLICLY AVAILABLE INFORMATION. NEITHER THE MANAGERS NOR ANY OF THEIR RESPECTIVE AFFILIATES ACCEPT ANY LIABILITY ARISING FROM THE USE OF, OR MAKE ANY REPRESENTATION AS TO THE ACCURACY OR COMPLETENESS OF, THIS TERM SHEET OR THE ISSUER'S OR THE GUARANTOR'S PUBLICLY AVAILABLE INFORMATION. THE INFORMATION CONTAINED IN THIS TERM SHEET IS SUBJECT TO CHANGE IN ITS ENTIRETY WITHOUT NOTICE.

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EACH PERSON RECEIVING THIS DOCUMENT SHOULD CONSULT HIS/HER PROFESSIONAL ADVISOR TO ASCERTAIN THE SUITABILITY OF THE SECURITIES AS AN INVESTMENT. FOR THE AVOIDANCE OF DOUBT, NONE OF THE ISSUER, THE GUARANTOR OR THE MANAGERS) MAKE ANY REPRESENTATION OR WARRANTY THAT THEY INTEND TO ACCEPT OR BE BOUND TO ANY OF THE TERMS HEREIN NOR SHALL THE ISSUER, THE GUARANTOR OR THE MANAGERS BE OBLIGED TO ENTER INTO ANY FURTHER DISCUSSIONS OR NEGOTIATIONS PURSUANT HERETO, BUT THEY SHALL BE ENTITLED TO THEIR ABSOLUTE DISCRETION TO ACT IN ANY WAY THAT THEY SEE FIT IN CONNECTION WITH THE PROPOSED TRANSACTION. THIS IS NOT AN OFFER TO SELL, NOR A SOLICITATION OF AN OFFER TO BUY, ANY SECURITIES, AND ANY DISCUSSIONS, NEGOTIATIONS OR OTHER COMMUNICATIONS THAT MAY BE ENTERED INTO, WHETHER IN CONNECTION WITH THE TERMS SET OUT HEREIN OR OTHERWISE, SHALL BE CONDUCTED SUBJECT TO CONTRACT. NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, IS OR WILL BE MADE AS TO, OR IN RELATION TO, AND NO RESPONSIBILITY OR LIABILITY IS OR WILL BE ACCEPTED BY THE MANAGERS OR BY ANY OF THEIR RESPECTIVE OFFICERS, SERVANTS OR AGENTS AS TO OR IN RELATION TO THE ACCURACY OR COMPLETENESS OF THIS DOCUMENT, OR ANY OTHER WRITTEN OR ORAL INFORMATION MADE AVAILABLE TO ANY INTERESTED PARTY OR ITS ADVISORS AND ANY LIABILITY THEREFORE IS HEREBY EXPRESSLY DISCLAIMED.

EACH OF THE MANAGERS AND THEIR RESPECTIVE SUBSIDIARIES AND AFFILIATES MAY PERFORM SERVICES FOR, OR SOLICIT BUSINESS FROM, THE THE ISSUER, THE GUARANTOR OR MEMBERS OF THE GUARANTOR'S GROUP, MAY MAKE MARKETS IN THE SECURITIES OF THE ISSUER, THE GUARANTOR OR MEMBERS OF THE GUARANTOR'S GROUP AND/OR HAVE A POSITION OR EFFECT TRANSACTIONS IN SUCH SECURITIES.

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IN CONNECTION WITH THE OFFERING OF THE BONDS, EACH OF THE MANAGERS AND ANY OF THEIR RESPECTIVE AFFILIATES ACTING AS AN INVESTOR FOR ITS OWN ACCOUNT MAY TAKE UP BONDS AND IN THAT CAPACITY MAY RETAIN, PURCHASE OR SELL FOR ITS OWN ACCOUNT SUCH SECURITIES AND ANY SECURITIES OF THE ISSUER, THE GUARANTOR OR RELATED INVESTMENTS, AND MAY OFFER OR SELL SUCH SECURITIES OR OTHER INVESTMENTS OTHERWISE THAN IN CONNECTION WITH THE OFFERING OF THE BONDS.

EACH PROSPECTIVE INVESTOR SHOULD PROCEED ON THE ASSUMPTION THAT IT MUST BEAR THE ECONOMIC RISK OF AN INVESTMENT IN THE SECURITIES FOR AN INDEFINITE PERIOD. NONE OF THE ISSUER, THE GUARANTOR OR THE MANAGERS MAKES ANY REPRESENTATION AS TO (I) THE SUITABILITY OF THE SECURITIES FOR ANY PARTICULAR INVESTOR, (II) THE APPROPRIATE ACCOUNTING TREATMENT AND POTENTIAL TAX CONSEQUENCES OF INVESTING IN THE SECURITIES OR (III) THE FUTURE PERFORMANCE OF THE SECURITIES EITHER IN ABSOLUTE TERMS OR RELATIVE TO COMPETING INVESTMENTS.

IN CONNECTION WITH THE OFFERING, THE MANAGERS OR THEIR AFFILIATES MAY, FOR THEIR OWN ACCOUNT, ENTER INTO ASSET SWAPS, CREDIT DERIVATIVES OR OTHER DERIVATIVE TRANSACTIONS RELATING TO THE SECURITIES AND/OR THE SHARES AT THE SAME TIME AS THE OFFER AND SALE OF THE SECURITIES OR IN SECONDARY MARKET TRANSACTIONS. THE MANAGERS OR ANY OF THEIR AFFILIATES MAY FROM TIME TO TIME HOLD LONG OR SHORT POSITIONS IN OR BUY AND SELL SUCH SECURITIES OR DERIVATIVES OR THE UNDERLYING ORDINARY SHARES. NO DISCLOSURE WILL BE MADE OF ANY SUCH POSITIONS. THE MANAGERS ARE ACTING ON BEHALF OF THE ISSUER AND THE GUARANTOR AND NO ONE ELSE IN CONNECTION WITH THE SECURITIES AND WILL NOT BE RESPONSIBLE TO ANY OTHER PERSON FOR PROVIDING THE PROTECTIONS AFFORDED TO CLIENTS OF THE MANAGERS OR FOR PROVIDING ADVICE IN RELATION TO THE SECURITIES.

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NO ACTION HAS BEEN TAKEN BY THE ISSUER, THE GUARANTOR, THE MANAGERS OR ANY OF THEIR RESPECTIVE AFFILIATES THAT WOULD PERMIT AN OFFERING OF THE SECURITIES OR POSSESSION OR DISTRIBUTION OF THIS DOCUMENT OR ANY OFFERING OR PUBLICITY MATERIAL RELATING TO SUCH SECURITIES IN ANY JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED. PERSONS INTO WHOSE POSSESSION THIS DOCUMENT COMES ARE REQUIRED BY THE ISSUER, THE GUARANTOR AND THE MANAGERS TO INFORM THEMSELVES ABOUT AND TO OBSERVE ANY SUCH RESTRICTIONS.

IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS DOCUMENT YOU SHOULD CONSULT YOUR STOCKBROKER, BANK BOOKRUNNER, SOLICITOR, ACCOUNTANT OR OTHER FINANCIAL ADVISER. IT SHOULD BE REMEMBERED THAT THE PRICE OF SECURITIES AND THE INCOME FROM THEM CAN GO DOWN AS WELL AS UP.

THIS DOCUMENT AND THE OFFER WHEN MADE ARE ONLY ADDRESSED TO AND DIRECTED, IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA WHICH HAVE IMPLEMENTED THE PROSPECTUS DIRECTIVE (EACH, A "**RELEVANT MEMBER STATE**"), AT PERSONS WHO ARE "QUALIFIED INVESTORS" WITHIN THE MEANING OF ARTICLE 2(1)(E) OF THE PROSPECTUS DIRECTIVE (DIRECTIVE 2003/71/EC) ("**QUALIFIED INVESTORS**"). EACH PERSON WHO INITIALLY ACQUIRES ANY SECURITIES OR TO WHOM ANY OFFER OF SECURITIES MAY BE MADE WILL BE DEEMED TO HAVE REPRESENTED, ACKNOWLEDGED AND AGREED THAT IT IS A "QUALIFIED INVESTOR" WITHIN THE MEANING OF ARTICLE 2(1)(E) OF THE PROSPECTUS DIRECTIVE. IN ADDITION, IN THE UNITED KINGDOM, THIS DOCUMENT IS BEING DISTRIBUTED ONLY TO, AND IS DIRECTED ONLY AT, SOPHISTICATED INVESTORS (I) WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO

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INVESTMENTS FALLING WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE "ORDER") AND QUALIFIED INVESTORS FALLING WITHIN ARTICLE 49(2)(A) TO (D) OF THE ORDER, AND (II) TO WHOM IT MAY OTHERWISE LAWFULLY BE COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS"). THIS DOCUMENT MUST NOT BE ACTED ON OR RELIED ON (I) IN THE UNITED KINGDOM, BY PERSONS WHO ARE NOT RELEVANT PERSONS, AND (II) IN ANY MEMBER STATE OF THE EUROPEAN ECONOMIC AREA OTHER THAN THE UNITED KINGDOM, BY PERSONS WHO ARE NOT QUALIFIED INVESTORS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS COMMUNICATION RELATES IS AVAILABLE ONLY TO QUALIFIED INVESTORS IN THE EEA (OTHER THAN THE UK) AND RELEVANT PERSONS IN THE UK AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. IN THE CASE OF ANY SECURITIES BEING OFFERED TO YOU AS A FINANCIAL INTERMEDIARY AS THAT TERM IS USED IN ARTICLE 3(2) OF THE PROSPECTUS DIRECTIVE, YOU WILL ALSO BE DEEMED TO HAVE REPRESENTED AND AGREED THAT THE SECURITIES ACQUIRED BY YOU IN THE OFFERING HAVE NOT BEEN ACQUIRED ON BEHALF OF PERSONS IN THE EEA OTHER THAN QUALIFIED INVESTORS OR PERSONS IN THE UK AND OTHER MEMBER STATES (WHERE EQUIVALENT LEGISLATION EXISTS) FOR WHOM YOU HAVE AUTHORITY TO MAKE DECISIONS ON A WHOLLY DISCRETIONARY BASIS, NOR HAVE THE SECURITIES BEEN ACQUIRED WITH A VIEW TO THEIR OFFER OR RESALE IN THE EEA WHERE THIS WOULD RESULT IN A REQUIREMENT FOR PUBLICATION BY THE ISSUER, THE GUARANTOR, THE MANAGERS OR ANY OTHER BOOKRUNNER OF A PROSPECTUS PURSUANT TO ARTICLE 3 OF THE PROSPECTUS DIRECTIVE, OR IN WHICH THE PRIOR CONSENT OF THE MANAGERS HAS BEEN OBTAINED TO SUCH OFFER OR RESALE. NO PROSPECTUS IS REQUIRED TO BE PUBLISHED PURSUANT TO THE PROSPECTUS DIRECTIVE IN CONNECTION WITH THE OFFERING OF THE BONDS.

THE ISSUER, THE GUARANTOR AND THE MANAGERS AND OTHERS WILL RELY UPON THE TRUTH AND ACCURACY OF THE FOREGOING REPRESENTATIONS, ACKNOWLEDGEMENTS, AND AGREEMENTS. NOTWITHSTANDING THE ABOVE, A PERSON WHO IS NOT A QUALIFIED INVESTOR AND WHO HAS NOTIFIED THE MANAGERS OF SUCH FACT IN WRITING MAY, WITH THE WRITTEN CONSENT OF THE MANAGERS, BE PERMITTED TO PURCHASE SECURITIES.

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