

FundRock Management Company S.A.

EU AIFM, authorised under Directive 2011/61/EU by the
Commission de Surveillance du Secteur Financier as 'Alternative
investment fund manager according to the Law of 12 July 2013'

Registered office: 33 rue de Gasperich, L-
5826 Hesperange,
Grand Duchy of Luxembourg

Rules

for

the Italian Reserved AIF named

WHITE ITALY

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These Rules are composed of three parts: PART (A) - Identification Card; PART (B) - Product Characteristics and PART (C) – Operating procedures.

These Rules govern the participation in the Italian Reserved AIF, established as a closed-ended fund, named “White Italy”.

In view of the nature of reserved Italian AIF (i) these Rules and any amendments thereto are not subject to approval by Banca d’Italia and (ii) the AIF may follow different rules than the prudential and risk containment rules laid down by Banca d’Italia for closed-ended non-reserved AIFs

These Rules are drawn up in accordance with Legislative Decree No. 58 of 24 February 1998 (“**TUF**”), Decree No. 30 of 5 March 2015 of the Ministry of Economy and Finance (“**Decree**”) and the provisions of the rules on collective asset management, adopted by Banca d’Italia Resolution on 19 January 2015, as amended by the resolution of 19 December 2016 (“**Resolution**”).

Definitions

In addition to the definitions indicated in Article 1 of the TUF and Article 1 of the Decree, in these Rules, the terms specified below will have the meaning attributed to them:

“**Abort Fee**”: definition set out in paragraph B.4.5

“**Additional Investment Transactions**”: any transaction involving the purchase and/or subscription of Instruments made by the Fund, where the issuer of the Instruments is already a Portfolio Company

“**Advisor**” Ettore Fieramosca Advisor S.r.l., having its registered office in Via Pietro Cossa, 41, 00193 - Rome

“**Advisory Board**”: definition set out in paragraph C.1.4

“**Advisor Key Person**”: means Mr. Ezio Castiglione as Advisor’s representative and director.

“**Advisor Key Person’s Affiliate**”: means an entity in which the Advisor Key Person holds at least 30% of the share capital.

“**AIFM**”: definition set out in paragraph A.1

“**Amounts to be Allocated**”: definition set out in paragraph B.3.2

“**Audit Firm**”: the company registered in the special register of auditing firms referred to in Article 161 of the TUF appointed to audit the accounts of the AIFM and the Fund

“**Blocking Date**”: definition set out in paragraph C.2.10

“**Blocking Situation**”: definition set out in paragraph C.2.10

“**Board of Directors**”: definition set out in paragraph C.1.1

“**Business Day**”: any day other than a Saturday, Sunday or other day considered non-business day by banks in Milan and Rome.

“**Buyer**”: definition set out in paragraph C.2.12

“**Amounts Potentially Subject to Drawdown**”: from time to time the part of the Subscribed Amounts not subject to drawdown, increased by the sums returned to Investors under paragraph C.2.8

“**Closing**”: the operations which must take place at the same time on the date specified by the AIFM in the notices referred to in paragraph C.2.5.

“Compensatory Interest”: the interest accrued at an annual rate equal to Euribor plus 300 (three hundred) basis points on the sums referred to in paragraphs “x” and “y” of paragraph C.2.6 until the date of the Closing in question from the dates of the relevant Disbursements by the Investors who participated in the previous Closings.

“Contribution Deed”: definition set out in paragraph C.2.3

“Contribution”: definition set out in paragraph C.2.3

“Costs for Investment Transactions”: definition set out in paragraph B.4.1

“Costs for Uncompleted Transactions”: costs of any kind incurred in relation to potential investment or divestment transactions not concluded for any reason, including, by way of example, charges relating to due diligence activities, professional fees due for legal, tax, accounting, insurance, environmental, notary and other assistance, bank commissions, remuneration

“CSSF”: definition set out in paragraph A.1

“Custodian”: definition set out in paragraph A.4

“Decree”: Decree of the Ministry of Economy and Finance No. 30 of 5 March 2015

“Default Notice”: definition set out in paragraph C.2.9

“Default”: definition set out in paragraph C.2.9

“Defaulting Investor”: definition set out in paragraph C.2.9

“Disbursed Amounts”: at any given time during the life of the Fund, the portion of the Subscribed Amounts paid into the Fund by Investors including amounts equivalent to the net value of the assets contributed to the Fund

“Disbursement Request”: definition set out in paragraph C.2.7

“Disbursements”: any disbursement and/or contribution pursuant to the Contribution Deed in respect of the Subscribed Amount made by Investors following a Disbursement Request

“Divestment Transactions”: any transaction involving liquidation and/or transfer of Instruments, or companies, held by the Fund in Portfolio Companies.

“Early Subscription Time Limit”: definition set out in paragraph C.2.5

“Effective Date”: definition set out in paragraph C.1.1.1

“Establishment Fee”: definition set out in paragraph B.4.1

“Euribor”: the “Euro Interbank Offered Rate” for 3 (three) month deposits, with an annual divisor of 360 calculated by the Euribor Panel Steering Committee at 11:00 a.m. (Brussels time) on the first day of the relevant deadline as published by Reuters on the RIBO page (or in case of non-operation of such a system, as published by an equivalent detection system)

“Final Subscription Time Limit”: the closing date of the Subscription Period

“First Closing”: definition set out in paragraph C.2.6

“First Disbursement”: definition set out in paragraph C.2.6

“Fund’s Minimum Amount”: definition set out in paragraph C.2.5

“Fund’s Total Amount”: means the sum of the Subscribed Amounts to by all Investors

“Fund”: definition set out in paragraph A.1

“Future Investors”: definition set out in paragraph C.2.6

“GAV”: investments fair value + cash & cash equivalents at the end of a specific accounting period

“Initial Investment Transactions”: any purchase and/or subscription of Instruments, as well as of companies, carried out by the Fund where the issuer of the Instruments, or the transferor of the company itself, is not already a Portfolio Company

“Initial Payment Date”: the beginning of the calendar quarter in progress on the date of the single Closing or, in the case of several Closing, of the First Closing

“Instruments”: definition set out in paragraph B.1.2

“International Investments”: definition set out in paragraph B.1.3.3

“Investment Fee”: definition set out in paragraph B.4.5

“Investment Period”: means the period, the duration of which is set out in paragraph B.1.3.2, during which the AIFM may request payment of the Subscribed Amounts to finance the Investment Transactions, subject to the provisions of paragraph C.2.7

“Investment Transactions”: Initial Investment Transactions and Additional Investment Transactions.

“Investments Made”: means at any time during the life of the Fund, all the assets and liabilities in which the Fund’s assets are invested as a result of Investment Transactions carried out in accordance with the Rules

“Investors’ Enhanced Consent” means the oral approval (if given at the Investors’ Meeting) or written approval (regardless of whether it is given by the signing of a single document or of several documents signed by one or more Investors) of as many Investors (excluding Defaulting Investors and Units in Conflict) who hold Units that together account for at least 66% (sixty-six per cent.) of the Units (excluding Units held by Defaulting Investors and Units in Conflict).

“Investors’ Extraordinary Consent”: the oral approval (if given at the Investors’ Meeting), or written approval (regardless of whether it is given by the signing of a single document or of several documents signed by one or more Investors) of as many Investors (excluding Defaulting Investors and Units in Conflict) who are holders of Units which together account for at least 80% (eighty per cent) of the Units (excluding Units held by Defaulting Investors and Units in Conflict).

“Investors’ Meeting” or **“Meeting”**: definition set out in paragraph C.1.3

“Investors’ Ordinary Consent”: the oral approval (if given at the Investors’ Meeting), or written approval (regardless of whether it is given by the signing of a single document or of several documents signed by one or more Investors) of as many Investors (excluding Defaulting Investors and Units in Conflict) who hold Units exceeding in total 50% (fifty per cent.) of the Units issued (excluding Units held by Defaulting Investors and Units in Conflict).

“Investors” or individually **“Investor”** as defined in paragraph A.6

“Italian Companies” or, individually, **“Italian Company”**: (i) companies incorporated or having their registered office in Italy; (ii) companies located or having their registered office in a Member State of the European Union which carry out significant business activities in Italy (for example, companies which hold their production facilities in Italy); (iii) holding companies incorporated or having their registered office in a Member State of the European Union which hold significant shareholdings in companies with the characteristics referred to in points (i) and (ii).

“Last Closing”: in the case of more than one Closing, the last Closing relating to the Subscribed Amounts up to the Final Subscription Time Limit.

“Lead Investor”: a private equity operator or other professional investor, including, but not limited to, financial institutions and holding companies, which provides for the structuring and management of an Investment Transaction

“Liquidation of the Defaulting Investor’s Units”: definition set out in paragraph C.2.9

“Liquidation Resolution” definition set out in paragraph C.5.3

“Management Fee”: definition set out in paragraph B.4.1

“Manager”: definition set out in paragraph C.1.1

“Net Total Value”: value of the assets making up the Fund - determined on the basis of the criteria established by Banca d’Italia and identified in these Rules - net of any liabilities

“New Manager”: an asset management company other than the AIFM or any other legal entity authorised to manage the Fund in accordance with applicable regulations and appointed in accordance with paragraph C.1.1.1

“Non-Reinvestable Proceeds”: definition set out in paragraph B.3

“Other Expenses”: definition set out in paragraph B.4.1

“Participants” or individually **“Participant”**: definition set out in the paragraph A.6

“Payment Request”: a Disbursement Request or a Repayment Request, as applicable

“Payment”: a Disbursement or a Repayment, as applicable

“Portfolio Companies”: the issuers of the Instruments held (directly or indirectly) by the Fund

“Preferential Yield”: The amount corresponding to the interest calculated by applying an annual rate of 8% (eight per cent) (capitalised on an annual basis, starting from the First Closing) on a daily amount (calculated considering the year as 365 days) (if any) equal to the positive difference between: a) the sum of the total amounts paid to the Fund by Investors, excluding any amounts paid by way of interest; and b) the sum of the total amounts paid to Investors by the Fund, excluding any amounts paid by way of interest. Preferred Yield is calculated separately for Investors holding A Units, and Investors holding B Units. For the purposes of calculating the Preferential Yield, the amounts referred to in (a) above shall be deemed to have been paid to the Fund on the payment date set out in each Disbursement Request (except in the case of Defaulting Investors, in respect of amounts remaining unpaid but subsequently paid to the Fund, for which such date shall be the date of actual receipt of the same by the Fund). The amounts referred to in subparagraph (b) above shall be deemed to have been paid to the Investors on the date specified in the relevant distribution notice. In case of Contribution, payments corresponding to the value of the goods contributed are considered to have been made on the date of the Contribution Deed.

“Previous Investors”: definition set out in paragraph C.2.6

“Proceeds Generation Costs”: definition set out in paragraph B.4.1

“Proceeds”: definition set out in paragraph B.3

“Professional Investors”: the persons referred to in Article 6, paragraphs 2-quinques and 2-sixties of the TUF and its implementing provisions

“Qualified Investors”: natural and/or legal persons, under Article 14, paragraph 2, of the Decree

“Qualified Temporary Investments”: definition set out in paragraph B.1.3.6

“Reinvestable Proceeds”: definition set out in paragraph B.3

“Repayment”: definition set out in paragraph 7.9.4

“Replacement Resolution”: definition set out in paragraph C.1.1.1

“Rules”: definition set out in paragraph A.1

“Subscribed Amount”: definition set out in paragraph C.2.7

“Subscribers”: or individually **“Subscriber”**: definition set out in paragraph A.6

“Subscription Period”: definition set out in paragraph C.2.5

“Syndicate”: definition set out in paragraph B.1.3.1

“Tax Regulations on Automatic Exchange of Information”: the regulatory provisions provided for the purpose of implementing the automatic exchange of information, including (i) sections 1471 to 1474 of the Internal Revenue Code (IRC), commonly known as the “Foreign Account Tax Compliance Act” (FATCA) and the US Treasury Regulations issued, (ii) the Agreement between the Government of the United States of America and the Government of the Republic of Italy to Improve Tax Compliance and to Implement FATCA, signed on 10 January 2014, (iii) the Ministerial Decree of 6 August 2015, (iv) Council Directive 2014/107/EU, of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation and (v) the Ministerial Decree of 28 December 2015, as well as any subsequent provisions which are substantially comparable to it and any other current or future similar or related legislation and, in any case, regulations or official interpretations thereof (including any administrative guidelines published or issued in relation to it), together with any intergovernmental laws, agreements or regulations.

“Target Companies”: companies with the characteristics indicated in paragraph B.1.3.3

“Temporary Investments”: definition set out in paragraph B.1.3.6

“Seller”: definition set out in paragraph C.2.12

“TUF”: Legislative Decree No. 58 of 24 February 1998

“Unit” or **“Units”**: definition set out in paragraph A.6

“Withholding Tax- Exempt Investors”: Italian and foreign Investors who, under Italian tax regulations, applicable from time to time, are not subject, in relation to the Units held, to the application of a withholding tax by the AIFM]

“Withholding Tax”: the withholding, by way of tax or withholding tax, applied by the SGR only on income distributed by the Fund to Investors on a holding basis in accordance with the Italian tax regulations currently in force and any subsequent amendments and any similar tax that may be due in relation to the Fund and/or the holding of Units by Investors under future Italian tax regulations

Interpretation

The following general criteria shall apply in the interpretation of the Rules.

Unless the context requires otherwise:

(i) “affiliate” means: (a) in relation to a natural person, a spouse, first-degree relatives in the ascending or descending line and any legal person who, directly or indirectly, is controlled by that natural person or its spouse or relatives in the ascending or descending line; (b) in relation to a legal person, any person who,

directly or indirectly, controls that legal person and any company or other legal person under the control of the same ultimate controlling party;

(ii) “allocation” means the process by which the SGR allocates the Amounts to be Allocated to distribution to all Investors in proportion to their respective Units or according to the different criteria laid down in these Rules (and the terms “to be allocated” and “to allocate” must be construed accordingly);

(iii) “control” means: (a) the direct or indirect possession of the voting rights majority exercised in general shareholders’ meetings or voting rights sufficient to exert a dominant influence at that time (b) any contractual arrangement whereby a person may direct the business activity of a company or other legal person (and the term “to control” must be interpreted accordingly);

(iv) “distribution” means (without prejudice to the provisions of these Rules governing the amount of each individual distribution) any cash payment from the Fund to Investors under these Rules, where applicable, any Withholding Tax made by the AIFM when distributing Proceeds to Investors in accordance with the applicable tax regulations in force from time to time (and the terms “to be distributed” and “to distribute” must be construed accordingly);

(v) “foreign” means any person of non-Italian nationality;

(vi) “guarantee” means any form of compensation for losses (including the obligation to pay or bear third-party monetary obligations, or to finance the payment or the acceptance of such obligations);

(vii) the “group” to which a given company belongs means, in addition to the company itself, the companies directly or indirectly controlled by it, the ultimate parent company and the companies directly or indirectly controlled by it;

(viii) “indebtedness” means any obligation (whether incurred as the main debtor or as security) to pay or repay money, immediately due or subject to a term or condition (and the terms “debt” and “debtor” shall be construed accordingly);

(ix) “month” means the period between a given day in a calendar month and the corresponding day in the following calendar month, it being understood that if this period commences on the last day of the month or if there is no corresponding day in the following month, this period shall end, unless otherwise provided for in these Rules, on the last day of the said month;

(x) “liabilities” means any debt or obligation of any kind, which is immediately payable or subject to terms or conditions, albeit of an uncertain amount;

(xi) “income” means any income generated by capital gains, income and other income components, including, but not limited to, dividends and interest, which are recorded in the management report of the Fund or of any other undertaking or entity in accordance with the Rules;

(xii) “disposal” means any sale, exchange or other disposal transaction as a result of which an asset is liquidated, even partially, where appropriate through partial conversion into, or exchange for, a different asset;

(xiii) “person” shall mean any natural or legal person;

(xiv) “annual compound yield rate” means the annual compound rate that makes the present value of the cash flows between the Fund and the Investors, relevant under paragraph 17.4.1, equal to zero.

(xv) references to treaties, laws, regulations, decisions include their amendments and/or replacements.

The table of contents and headings of the clauses and paragraphs of these Rules are intended for ease of reading only.

Definitions in the singular shall include the plural and vice versa.

A IDENTIFICATION SHEET

This part contains the essential identification elements of the Fund and provides the Subscribers the main references to the Fund itself, the AIFM managing it and the Custodian.

A.1 Name and type of the Fund

FundRock Management Company S.A., with registered office in 33 rue de Gasperich, L-5826 Hesperange, Grand-Duchy of Luxembourg (“**AIFM**”), authorised by the Commission de Surveillance du Secteur Financier (“**CSSF**”) as Alternative investment fund manager according to the Law of 12 July 2013, has established the Italian AIF, established as a closed-ended fund, reserved for Professional Investors and Qualified Investors, named ‘White Italy’ (“**Fund**”), by resolution of the Board of Directors on 26th July 2021, which at the same time approved these management rules (“**Rules**”).

The Fund is neither guaranteed nor structured; therefore, there are no guarantors within the meaning of paragraph 2.4, Section II. Chapter I Title V of the Resolution.

A.2 Fund Duration

The duration of the Fund is fixed at 10 (ten) years from the date of First Closing.

This term of duration shall not be longer than that of the AIFM and is consistent with the nature of the investments and other product characteristics described in Part B of these Rules.

Before the expiration of the tenth anniversary of the date of the First Closing, the Board of Directors may, with the favourable opinion of the Advisory Board, decide to extend the duration of the Fund for a period not exceeding 24 (twenty-four) months.

Any further extensions may be decided by the AIFM only with the Enhanced Consent of the Investors, in compliance with the regulations in force from time to time. The resolved extensions shall be also notified to Banca d’Italia and Consob, specifying the reasons for supporting the relevant resolutions of the Board of Directors or the Investors’ Meeting.

The duration of the Fund may also be extended, for the completion of the liquidation of investments, by reasoned resolution of the Board of Directors and with AIFM’s supervisory body issuing a favourable opinion, before the expiration of the term and in the sole interest of the Participants, for a period not exceeding 3 (three) years (“grace period”).

The resolution shall clearly specify that:

- (i) the liquidation has already started, indicating the amounts already received and/or reimbursed up to the date of the aforesaid resolution;
- (ii) the objective market conditions - timely specified and not referring only to the specific situation of the assets to be invested - make it impossible to complete the liquidation within the prescribed deadlines without incurring losses that may prejudice the final yield of the Fund.

The resolution shall also contain the expected deadlines and manners for the sale of the remaining assets in the portfolio for the completion of the liquidation of the Fund.

A.3 AIFM

FundRock Management Company S.A., with registered office at 33 rue de Gasperich, L-5826 Hesperange, Grand-Duchy of Luxembourg, is authorised by the CSSF as ‘Alternative investment fund manager according to the Law of 12 July 2013’.

On 11 August 2020, the CSSF notified Banca d’Italia of the AIFM’s intention to carry out collective asset management activities in Italy.

The AIFM (i) is authorised to manage in Luxembourg AIFs with similar characteristics to the Fund it has established and intends to manage in Italy and (ii) has entered into an appropriate agreement with the Custodian to ensure that the latter is provided with the information necessary for the performance of its tasks.

In managing the Fund, the AIFM shall comply with:

- (i) Article 6(1)(c) of the TUF, concerning the rules applicable to UCI and the relevant implementing measures;
- (ii) Part II, Title III, Chapter II, of the TUF, relating to investment funds and the relevant implementing measures;
- (iii) Part IV, Title II, Sections II and III of the TUF on the marketing of EU AIFs and the relevant implementing measures.

Banca d'Italia and Consob, in accordance with their respective powers, shall supervise compliance with these provisions. The CSSF is responsible for verifying the adequacy of the organisational measures taken by the AIFM.

The management of the Fund is the responsibility of the AIFM, which carries out it in compliance with the laws and regulations, the provisions of Banca d'Italia, the CSSF and these Rules.

As to matters not expressly provided for by such rules and provisions, reference is made to the rules of Italian law, including the provisions of the Italian Civil Code.

A.4 Custodian

Pursuant to article 47 et seq. of the TUF, the Fund's custodian is Société Générale Securities Services S.p.A. (the "**Custodian**").

The issuance and redemption of units in the Fund are carried out at the registered office of the Custodian. The Fund's financial statements are also kept available at the same premises.

A.5 Frequency of the calculation of the value of the Units and notification

The unit value of the Units, in accordance with the provisions of the Banca d'Italia, is calculated on a half-yearly basis as at 30 June and 31 December of each year (with reference to the last business day of each half-year) from the first full half-year starting from the First Closing, taking into account the proportional value of the assets making it up net of liabilities. The calculation of the value of the Units shall be carried out under the responsibility of the AIFM in the manner provided for in these Rules. The AIFM may delegate the calculation of the value of the Units function to the Custodian, according to the applicable laws and regulations.

The unit value of the Units recorded in this way shall be notified to the Participants within 15 (fifteen) business days of the deadline for such recording, by registered letter with return receipt, fax or e-mail, within sixty days of the end of each six-month period.

The total net asset value (NAV) is equal to the net value of the assets comprising it and is calculated on the basis of the criteria established by Banca d'Italia - net of any liabilities. The above notice may be sent at a later date than on a regular basis if exceptional and unforeseeable events occur. Where such cases occur, the AIFM shall inform Banca d'Italia directly and the Participants by means of a notice. The notice shall specify both the postponement and the new date identified for the calculation of the unit value of the Unit.

In case of any error in the calculation of the unit value of the Units, if such error does not amount to more than 1% of the correct value (known as "irrelevance threshold"), the AIFM will not have to take the steps

set out under Title V, Chapter I, Section II, para. 4.6 of the Resolution, having particular regard to the reimbursements due to the Investors and the Fund and the communications to be provided to the Investors.

A.6 Sub-Funds, Unit Classes and listing

The Fund is not divided into sub-funds.

The Fund provides for the issuance of two classes of units, the “A Units” and the “B Units” (collectively, the “Units”), each of which has the same nominal value of EUR 10,000 (ten thousand), which grant the rights indicated in these Rules.

Units may only be subscribed by Professional Investors and Qualified Investors and may not be placed, redeemed or resold by those who hold them, either directly or as part of the provision of the service referred to in Article 1(5)(d) of the TUF to persons other than Professional Investors and/or Qualified Investors.

Persons subscribing Units in any capacity are referred to jointly as “Participants”, “Subscribers” or “Investors” and each as “Participant”, “Subscriber” or “Investor”.

B Units are issued exclusively for the benefit of the Advisor Key Person and any Advisor Key Person’s Affiliate in a number corresponding to the number subscribed by the Advisor Key Person or by any Advisor Key Person’s Affiliate, as the case may be.

B Units grant the right to a preferential distribution in case of liquidation of the Fund.

No provision has been made to list the certificates representing the Fund units on a regulated market.

B PRODUCT CHARACTERISTICS

B.1 Purpose, object, investment policy and other features

B.1.1 Purpose of the Fund

The purpose of the Fund is to enhance the value of the Fund’s assets, with the aim of ensuring an adequate return on the invested capital, through Investment Transactions mainly of medium and long duration concerning the purchase and/or subscription, direct or indirect, of the assets indicated in paragraph B.1.2 below, with a view to liquidating the Fund’s assets in the exclusive interest of the Investors.

B.1.2 Object of the Fund

The main object of the Fund, in order to increase the initial value of the Units and to maximise the net result, is the direct or indirect investment, including through the contribution of the same by Investors when subscribing the Units, in the assets referred to in Article 4, paragraph 1 of the Decree and, in particular, in unlisted and equity financial instruments (or granting the right, partially or totally, to purchase representative instruments) of the Target Companies.

The above investments will be made with the aim of optimising the use of the Fund’s liquid assets, which are not intended to be distributed to the Participants or to expenditure commitments made by the AIFM for the management of the Fund.

The estimated degree of liquidity of the Fund’s assets will not be less than 5% of GAV, as defined in definition section.

The Fund may hold cash for treasury purposes.

The Fund, within the limits provided for by the applicable law and regulations as well as those set out in paragraph B.1.3.5, may carry out transactions in derivative financial instruments from the Fund’s assets solely for the purpose of hedging the risks of the Fund.

B.1.2.1 Direct interventions

The Fund may carry out Direct Investment Transactions in the risk capital of the Target Companies. These investments may relate to the following financial instruments (the “**Instruments**”):

- (i) shares, units and, in general, securities representing the equity of Target Companies;
- (ii) bonds issued by Target Companies and/or other forms of financial support, to which rights of conversion, in whole or in part, into shares or units of the capital of the financed company are usually attached under pre-determined conditions;
- (iii) other equity financial instruments issued by Target Companies to which rights of partial or total conversion into shares or units of the capital of the issuing company and/or rights to purchase or subscribe for shares or units of the capital (warrants) of the financed company or of the companies in which it has an interest or which have an interest in it are normally attached;
- (iv) any other instrument or security which permits the acquisition of the financial instruments referred to in points (i), (ii) and (iii) above;
- (v) other debt instruments and liquidity in relation to the Fund’s cash requirements.

In any case, the purchase or subscription of bonds (with the exception of convertible bonds) or, where possible, financial receivables (if possible) or financial instruments or contracts permitting their acquisition may only take place where the Fund has the right, by virtue of agreements with the issuing or debtor company or with third parties, to acquire equity instruments, including convertible bonds, of the company in question (or securities or contracts providing for their acquisition), including through the conversion, exchange or other form of replacement, in whole or in part, of such bonds or financial receivables.

Whether the Fund intends to carry out Investment Transactions by committing resources including in the form of loan (including forms of debt or quasi-equity instruments, including, by way of example, shareholders’ loans, convertible bonds, warrants, as well as bridging loans and subordinated loans), with or without subscription and/or purchase of financial instruments, to the Target Companies, the AIFM shall attest the compliance with the applicable laws and regulations and the provisions of these Rules.

The AIFM is also entitled to carry out any transactions to transform the financial instruments mentioned above into debt instruments, even if non-convertible, during the restructuring of Investment Transactions aimed at divesting the relevant Company in Portfolio or protecting the same investment.

B.1.2.2 Indirect interventions

At the discretion of the AIFM, the Investment Transactions may be also carried out using Italian or foreign corporate vehicles controlled by the Fund, also jointly with other co-investors, set up for the exclusive purpose of purchasing and/or subscribing Instruments or firms.

B.1.3 Investment policy and other features

B.1.3.1 Type of Investment Transactions and Management Style

The AIFM shall carry out Investment Transactions for the Fund by investing both:

- (i) as a Lead Investor operating alone, or possibly as a Lead Investor operating in syndicate and/or in the framework of economic agreements with third parties (collectively the “**Syndicate**”), and
- (ii) co-investing in transactions or companies in which other funds or third parties are or have been acting as Lead Investor.

The Fund acquires a minority or majority of the voting capital of the Target Companies and supports the relevant entrepreneurs and managers in the implementation of the economic-financial plan on which the decision to invest is based.

The Fund may not invest in companies that are subject to insolvency proceedings.

Investment Transactions may be carried out either (i) by means of a capital increase or (ii) by purchasing shares, units or financial instruments of the Target Company, either directly or indirectly. Investment Transactions may also occur where both methods described apply. The Fund may also invest in the Target Companies by means of (i) the subscription of convertible bonds and (ii) other assets specified in the object of the Fund.

At the time of structuring and negotiating Investment Transactions, as well as at the time of negotiating and reviewing the arrangements existing for the relevant investment, the AIFM will ensure that the relevant documentation does not include such events that may adversely impact the Instruments held by the Fund in the Portfolio Companies or governance rights and negotiated way-out (including but not limited to obligations or rights to prepayment of an Instrument, changes to related economic terms, indemnifications, liquidated damages or other similar payments, exemptions from covenants, forfeiture of special rights), events relating to the Fund and/or to the AIFM itself (such as, for example, the AIFM's replacement, any changes to the AIFM's holding structure or the composition of the relevant management bodies, any changes to the Fund's body of Investors).

B.1.3.2 Investment Period

The duration of the Fund's Investment Period is five years starting from the First Closing.

This period may be extended by the AIFM, with the favourable opinion of the Advisory Board, for a period not exceeding 12 (twelve) months.

After the expiration of the Investment Period, the AIFM may not carry out Investment Transactions other than those for which the Fund is contractually obliged to carry out under commitments undertaken during the Investment Period (and with the exception of the provisions of these Rules), but must limit itself to the management, including active management, of the Investments Made, as well as the execution of Divestment Transactions, all with a view to liquidating the Fund in the exclusive interest of the Investors.

B.1.3.3 Characteristics of Target Companies

The AIFM will carry out Investment Transactions in Instruments issued by companies with the characteristics indicated below (the "**Target Companies**").

Investment Transactions are mainly carried out in Italian Companies - where "mainly" means a percentage of more than 60% (sixty percent) of the Fund's Total Amount.

If a Target Company considers itself as an Italian Company upon an Initial Investment Transaction, it shall continue to be considered as such upon each Additional Investment Transaction.

If, at the time of the Initial Investment Transaction, a Target Company is not an Italian Company but, after the Initial Investment Transaction and on the basis of the economic-financial plan underlying the decision to invest, it starts operating mainly in Italy, it will be considered an Italian Company.

Investment Transactions involving companies incorporated or having their registered office in a jurisdiction other than Italy ("**International Investments**") shall be carried out in accordance with the following conditions:

- (a) through the intermediation of an entity whose shareholders have limited liability;

- (b) after obtaining, if deemed necessary by the AIFM, for the benefit of the Investors and the Fund, legal and tax advice, as appropriate, in form and content, in the prudent assessment of the AIFM, stating that the purchase, holding, administration and/or sale by the Fund of the Instruments issued by the Target Company in question does not expose the Investors, in accordance with the rules in force in the relevant jurisdiction, to direct liability, including joint and several liability with each other or with the Fund, for the obligations undertaken on behalf of the Fund; all costs incurred for the opinions referred to in this paragraph shall be borne by the Fund.
- (c) in any event, for a total amount not exceeding that specified in paragraph B.1.3.5.

The AIFM will invest mainly in companies of the “white economy”, i.e., in the chain of activities oriented towards prevention, care and assistance for people, as well as technological innovation in the biomedical, diagnostic and healthcare fields, promoting public-private integration in the sector and promoting social sustainability and a relapse in terms of employment growth in the country.

With the aim of producing positive impacts on the community and the living conditions of its members, the Fund will invest mainly in companies operating in the industry of devices, biomedical and diagnostic technologies, personal care and support for the non-self-sufficient, production and supply of technological goods and services and support to health care facilities, prevention and welfare, scientific production and communication, and ICT related to health.

B.1.3.4 Management of Portfolio Companies

Investment Transactions are structured in such a way as to provide the Fund (or, where appropriate, the Syndicate) with effective tools to monitor the management of the Portfolio Companies, appropriate governance mechanisms and contractual rights to information and audit aimed at allowing adequate monitoring of the main financial and operational risks, in compliance with applicable laws and regulations.

The AIFM regularly monitors the management of the Portfolio Companies; for this purpose, the AIFM may negotiate and reserve contractual rights of information and audit, aimed at allowing adequate monitoring of the main financial and operational risks of the Portfolio Companies.

B.1.3.5 Investment limits

In managing the Fund’s assets, the AIFM shall comply only with the limits set out in these Rules, in compliance with the applicable laws and regulations.

Due to the reserved nature of the Fund, the prudential rules on containment and dividing up of the risk with reference to non-reserved closed-ended AIFs shall not apply to the Fund.

Subject to the limits resulting from applicable laws and regulations and these Rules, the Fund’s assets may be invested in Instruments not listed on regulated markets or multilateral trading facilities. This provision shall not apply: (a) in the event that the listing takes place after the acquisition of the Instruments by the Fund and (b) in the case of the issuance of listed bonds by small companies, it being specified that they (i) may be subscribed for by the Fund only in conjunction with other Instruments issued by the same company; (ii) may not be acquired for the purpose of trading and (iii) may be acquired only at the time of their issuance.

Each Investment Transaction may involve an investment by the Fund up to a limit of 20% (twenty per cent) of the Fund’s Total Amount, which may be raised to 30% (thirty per cent) of the Fund’s Total Amount with the favourable opinion of the Advisory Board.

The total amount of Investment Transactions in Instruments issued by the same issuer or by several issuers belonging to the same group may not exceed 20% (twenty per cent) of the Fund’s Total Amount, which may be raised to 30% (thirty per cent) of the Fund’s Total Amount with the favourable opinion of the Advisory Board.

The Fund's liquidity may only be invested in readily liquidated investments, namely monetary UCIs provided that they are not established and managed by the AIFM, interest-bearing deposits at banks or other financial institutions, financial instruments issued or backed by a State, commercial credit policies or other low-risk investments selected by the AIFM. Where the investments referred to in this paragraph are bank deposits, the entire amount may be deposited with a single bank, including the Custodian.

The assets of the Fund may be used for the purpose of hedging the risks associated with Investment Transactions or Divestment Transactions and to the extent that the relevant exposure of the Fund is quantifiable and limited to the Amounts Potentially Subject to Drawdown.

The Fund may make International Investments not exceeding 20 per cent (twenty per cent) of the Fund's Total Amount which may be raised to 25 per cent (twenty-five per cent) of the Fund's Total Amount with the favourable opinion of the Advisory Board.

Prior favourable opinion of the Advisory Board is mandatory for any International Investments involving companies incorporated or having their registered office in a jurisdiction other than European Union Member States.

The Fund does not invest in:

- (i) other private equity funds or similar collective investment schemes; or
- (ii) real estate assets for resale only. It should be noted that the Fund may only hold real estate assets that are used to carry out the activities of the Portfolio Company.

B.1.3.6 Temporary Investments

The Fund may carry out transactions functionally linked to Investment Transactions which involve the use of capital of a shorter duration than the time horizon of the Investment Transaction to which they relate to, in order to meet the contingent needs of the Portfolio Company or to facilitate the implementation of the Investment Transaction ("**Temporary Investments**"). Temporary Investments include any bridge financing granted to the Portfolio Companies, after obtaining a statement of compliance from the AIFM, investments in real estate assets functional to the exercise of the Portfolio Companies' activities, investments for subsequent syndication and transactions carried out in any other form that meet the above purposes, without prejudice to compliance with the asset reserves provided for by the applicable laws and regulations.

For the purposes of the distributions and related rights of Investors, if funding for Temporary Investments is derived from Disbursements, Temporary Investments are not treated as Investment Transactions if:

- (i) the Disbursement Request indicates that the AIFM will repay the funds in accordance with the provisions of points (ii) and (iii) below;
- (ii) capital employed in Temporary Investments are repaid to the Fund within a maximum period of six months from the date of disbursement; and
- (iii) the funds repaid, any capital gains, interest paid and any further income received by the Fund are distributed to the Investors within twenty Business Days of the repayment referred to in point (ii) above.

Temporary Investments for which funding derives from Disbursements and in relation to which the conditions under points (i), (ii) and (iii) are met (the "**Qualified Temporary Investments**") are subject, for the purposes of distributions and the related rights of Investors, among others, to the provisions set out in paragraph C.2.8 and paragraph B.3.6.

Temporary Investments in the form of syndicated investment shall be limited to 20% (twenty percent) of the Fund's Total Amount.

B.1.4 Temporary breach of investment limits

The AIFM may invest the Fund's resources within the limits and under the conditions set out in these Rules and in the legislation in force. However, should these limits be exceeded, the AIFM shall, in a manner and time frame adequate to protect the interests of the Participants, restore the composition of the Fund's assets within the limits set out in these Rules.

B.1.5 Borrowing and leverage

The Fund may resort to borrowing in the manner and to the extent permitted by the applicable laws and regulations and these Rules. In particular:

- i. The Fund may borrow, including through the use of credit lines granted by banks or other financial institutions to meet commitments undertaken in relation to particular Investment Transactions, pending Disbursements or in the event of Default, up to a maximum of 20% (twenty percent) of the Fund's Total Amount, with a maximum achievable leverage level of 130% (one hundred thirty percent) calculated in accordance with the commitment method as described and governed by Article 8 of Commission Delegated Regulation (EU) No. 231/2013 of 19 December 2012 and 130% (one hundred thirty percent) calculated in accordance with the gross method as described in Article 7 of Commission Delegated Regulation (EU) No. 231/2013 of 19 December 2012. The borrowings may be used for working capital purpose only and will be repaid within 6 (six) months.
- ii. The AIFM has the right to pledge all the assets included in the Fund's assets, or to establish other collateral rights or liens on them, in favour of credit institutions or other financial institutions to guarantee loans or obligations undertaken by the Fund in connection with Investment Transactions.
- iii. Within the limits of the regulations in force, the Fund may issue unsecured guarantees in the interest of Portfolio Companies or request the issuance of such guarantees to third parties, provided that the guarantees are instrumental or in any case linked to the execution of Investment Transactions and/or the holding of the relevant Instruments and, in any case, up to a maximum - together with the principal amount of the outstanding loans referred to in point i. above - of 20 per cent (twenty per cent) of the Fund's Total Amount.
- iv. Without prejudice to the limits set out in points i and iii above, the total exposure of the Fund deriving from financial indebtedness (net of accrued interest expense) referred to in point i above, and the guarantees referred to in point iii make the Subscribed Amounts provisionally uncollectable to the extent necessary to ensure that the exposure in question, net of amounts still potentially subject to drawdown under the Subscribed Amounts, does not exceed 20 per cent. (twenty per cent.) of the Fund's Total Amount, unless the aforesaid Disbursement is not functional to enable the Fund to repay the loan taken out and this circumstance has been highlighted in the Disbursement Request. It is also understood that the AIFM may not pledge or establish other forms of security in relation to an Investment in a particular Portfolio Company or land to secure loans or other obligations undertaken in relation to another Portfolio Company or other asset held by the Fund. Securities granted using the liquidity drawn by the Investors shall not be calculated for the purposes of this limit.

In compliance with the regulations in force from time to time, the AIFM shall communicate, as part of the annual report, to Subscribers and the competent authorities the total amount of leverage used by the Fund.

B.1.6 Limits to related-party transactions and management of conflicts of interest

The AIFM shall adopt rules on transactions with related parties and a strict conflict of interest management policy to neutralise possible interference or influences in the pursuit of the Fund's aims and objectives.

The Fund's assets may not be invested in financial instruments directly or indirectly transferred or contributed by a shareholder, director or statutory auditor of the AIFM, nor may such assets be directly or indirectly transferred to them.

In general, the Fund may carry out transactions with AIFM members or with entities belonging to each shareholder's group. These transactions will be carried out within the limits and with the precautions provided for by the applicable laws and regulations as well as these Rules. The Fund may negotiate assets with other funds managed by the AIFM, provided that the individual transactions are consistent with general investment strategies defined in advance and that fair treatment between the various UCIs concerned is ensured, also taking into account the charges associated with the transactions to be carried out. At the discretion of the AIFM, the Investment Transactions may be carried out using corporate vehicles controlled by the Fund, also jointly with other co-investors, set up for the exclusive purpose of purchasing and/or subscribing to financial Instruments.

The AIFM supervises the identification of conflicts of interest and adopts internal procedures suitable for protecting the rights of the Fund and of the Participants, so as to minimise any potential risk deriving from conflict of interest, including transactions between the Fund and other UCIs managed by the Fund, arising from group business and/or with the AIFM's shareholders, from the joint provision of several services, or from their own business relations or of another company belonging to the same group.

The AIFM has developed an internal policy for the management of conflicts of interest, a summary of which will be delivered by the AIFM to each Participant upon request.

The AIFM, in order to ensure that the management activity is carried out independently, in the exclusive interest of the Fund's Participants and in a manner consistent with the purpose of the Fund, after having identified the situations of conflict of interest that may adversely affect the Fund and the Participants, shall adopt certain procedural controls associated with the individual cases, in application of the principle of proportionality, and taking into account the relevance of each case of conflict.

Any acquisitions from and/or disposals to and/or investing of the AIFM and the Advisor and all of its employees (as well as the AIFM), any other investment vehicle in respect of which any of them provides any investment advisory, management, consultancy or similar services, and any other similar related party transactions may only be concluded following a prior opinion by the Advisory Board.

According to Clause C.1.4, the Investment Transactions and/or Divestment Transactions or acquisitions of loans on behalf of the Fund in relation to which the AIFM, one or more members of the Board of Directors have, by reason of their past investments or for other reasons, an interest in conflict, known to the Board of Directors, with those of the Fund are subject to the mandatory and binding opinion of the Advisory Board. In this respect the AIFM shall provide the Advisory Board with all the information necessary to oversight over all potential conflicts of interest, in accordance with its regulatory obligations.

B.2 Fund's Total Amount

The Total Amount of the Fund is EUR 300,000,000 (three hundred million), except as provided for in the following paragraphs.

B.3 Income, management results and distribution manners

All cash flows of any kind generated by the use of sums paid to the Fund or assets contributed by way of Contribution such as Disbursements or otherwise related to Investment Transactions or Divestment Transactions constitute proceeds attributable to the Fund (the "**Proceeds**").

The Fund may accumulate all or part of the Proceeds. Proceeds are divided into Non-Reinvestable Proceeds and Reinvestable Proceeds.

For the purposes of these Rules, the following constitute "**Non-Reinvestable Proceeds**":

- (i) dividends and other distributions that the Fund receives from the Portfolio Companies;
- (ii) interest and other capital income received by the Fund and paid by the Portfolio Companies;

- (iii) any repayment of capital invested as a result of Investment Transactions for amounts exceeding the amounts provided for in point (ii) above;
- (iv) any other income component generated by Investment Transactions.

For the purposes of these Rules, all Proceeds other than the Non-Reinvestable Proceeds constitute **"Reinvestable Proceeds"**.

B.3.1 Allocation of Proceeds

The AIFM does not reinvest Non-Reinvestable Proceeds, but rather uses the same to cover the related Proceeds Generation Costs. The AIFM may also use the AIFM's Proceeds to cover all or part of the Management Fee, Other Expenses and for the reimbursement of funding assumed by the Fund. The AIFM shall decide whether and to what extent to cover Other Expenses with Proceeds (instead of covering them by Disbursements) at its sole discretion.

The AIFM has the right to reinvest the Reinvestable Proceeds until expiration of the Subscription Period to finance Investment Transactions, provided that the aggregate amount that the AIFM may call for (i) Disbursements and (ii) amounts of Reinvestable Proceeds reinvested in accordance with this paragraph B.3.1 shall not exceed 120% of the Fund's Total Amount, provided further that the aforementioned 120% limit shall not include reinvestments of Reinvestable Proceeds from disposal of real estate assets of Portfolio Companies. For the sake of clarity, the amounts reinvested as above are not accounted for by the AIFM as distributions of Proceeds to Investors and subsequent calls for Disbursements.

Non-Reinvestable Proceeds, for the part not intended to cover charges or for the other purposes referred above and net of provisions that the AIFM considers prudent to make to cover specific risks, constitute an element of the Amounts to be Allocated. The AIFM determines the Amounts to be Allocated in accordance with paragraph B.3.2.

The AIFM shall distribute the Amounts to be Allocated to Investors within a period reasonably close to that of collection of the sums deriving from Divestment Transactions or other events generating Non-Reinvestable Proceeds, provided they are of an amount suitable to justify the burden, including administrative burden, of a distribution. Notwithstanding the above, no distribution of Proceeds shall be made by the AIFM prior to the Last Closing. The Amounts to be Allocated (by way of income distributed by the Fund to Investors when holding Units in the Fund, as regards further distributions of Amounts to be Allocated, net of any Withholding Taxes applied by the AIFM and up to the amount of the Fund's result reflected in the report drawn up for distribution purposes) shall be distributed to the Investors after a management report has been drawn up.

Participants holding the Units at the time of payment have the right to receive the Amounts to be Allocated in accordance with paragraph B.3.2. All allocation, distribution and disbursement transactions pursuant to this Article shall be carried out in EUR after conversion into EUR of assets denominated in any other currencies.

B.3.2 Amounts to be Allocated

"Amounts to be Allocated" are, under these Rules, Non-Reinvestable Proceeds adjusted downwards in accordance with paragraph B.3.1, but gross of any Withholding Tax that the AIFM is required to levy on Investors at the time of distribution.

B.3.3 Allocations and distributions

The Amounts to be Allocated are allocated by the AIFM, for distribution to all Investors, in the following order:

- (i) firstly, to all Investors in proportion to their Units until the amounts so allocated have reached an aggregate amount equal to the Disbursed Amounts, net of partial repayments and distributions of Proceeds already made, up to that time;
- (ii) secondly, to all Investors in proportion to their Units until they have received, taking into account partial repayments and distributions already made, an amount equal to the Preferential Yield;
- (iii) thirdly, to Investors with B Units until they have received an amount equal to 25 per cent. (twenty-five per cent) of the Preferred Yield so as to allocate to Investors with B Units an amount up to 20 per cent. of the total amounts distributed in excess of the amount distributed under (i) above;
- (iv) fourthly, any remaining part of the Amounts to be Allocated shall be allocated as follows:
 - (a) 80 per cent (eighty per cent) to all Investors in proportion to their Units, and
 - (a) 20% (twenty per cent) to B Investors, in proportion to their respective B Units

The Amounts to be Allocated to Investors are distributed in cash to Investors:

- (a) by way of partial repayment of the respective Units, until the amounts so distributed are in total equal to the total Disbursements made by the Investors to the Fund up to the date of the relevant distribution;
- (b) by way of income distributed on a holding basis by the Fund to Investors, as regards further distributions of Amounts to be Allocated, net of any Withholding Taxes applied by the AIFM and up to the amount of the result of the Fund reflected in the report drawn up for distribution purposes.

Where applicable, the AIFM shall pay the amount corresponding to the Withholding Taxes from the Amounts to be Allocated, including by offsetting.

The Amounts to be Allocated to Investors holding B Units under (iii) and (iv)(b) above ("**Escrow Amounts**") shall be paid into an escrow account (the "**Escrow Account**") managed by the AIFM.

The AIFM may dispose of the Amounts in Escrow in favour of the holders of B Units to the extent that such amounts are necessary to allow the latter to pay tax charges imposed on them related to the allocation of the Proceeds or partial refunds (including any taxes or fiscal charges applied on the Escrow Account or on interest accrued by the same) in any case imposed as a finale measure and no longer refundable in accordance with the applicable laws and regulations. The distributions of the Amounts in Escrow made in favour of the holders of B Units must be considered as final and they will be not required to repay to the Fund the Claw Back Amount.

At any time during the term of the Fund, and subject to Investors having received distributions in an amount equal to the relevant Disbursed Amounts plus distributions in an amount equal to the Preferential Yield, B Unit holders are entitled to receive, from the Escrow Account, an amount equal to 20% (twenty per cent) of the amounts distributed by the Fund in excess of the aforesaid amounts.

If, at the time of liquidation of the Fund, the Amounts in Escrow exceed zero, such amounts will be released and distributed among all Investors in accordance with the provisions set out in (i) and (ii) above, taking into account any previously made distributions.

If, at the time of the liquidation, including early liquidation, of the Fund, once all the assets of the Fund have been sold in accordance with these Rules and the amounts resulting from such liquidation, as well as the Amounts in Escrow, have been distributed to the Investors, the same Investors have not received distributions in an amount equal to the greater of:

- (i) the total amount of the Disbursed Amounts, increased by the Preferential Yield; and

(ii) the total amount of the Disbursed Amounts, increased by an amount equal to 85% (eighty-five per cent) of the difference, if positive, between (x) the amount of all distributions made (or to be considered as made) in favour of the Investors (including the holders of B Units) pursuant to the Rules and (y) the total amount of the Disbursed Amounts by all the Investors (net of any interest applied on them pursuant to the Rules);

the holders of B Units will be required to return to the Fund, in order for the AIFM to make distributions in favour of all the Investors, an amount equal to the Claw Back Amount (net of any taxes, charges or fees paid on such amount by the holders of B Units).

For the purposes of these Rules and this paragraph, "**Claw Back Amount**" means the difference between (i) the total amounts distributed to all Investors pursuant to the Rules, during the term of the Fund and upon liquidation, and (ii) the greater of the following two amounts:

- (a) the total amount of the Disbursed Amounts, increased by the Preferential Yield;
- (b) the total amount of Disbursed Amounts, increased by an amount equal to 85% (eighty-five per cent) of the difference, if positive, between (x) all distributions made to Investors (including holders of B Units) pursuant to the Rules and (y) the total amount of Disbursed Amounts by all Investors (net of any interest applied on them pursuant to the Rules).

Notwithstanding any other provision contained in these Rules to the contrary, the payment to the Fund due by the holders of the B Units may in no case exceed the amounts received by way of distribution from the Escrow Account pursuant to these Rules (net of the relevant tax burden actually borne by B Investors).

B.3.4 Information to be provided to Investors at the time of distribution

Upon any distribution of Amounts to be Allocated, the AIFM informs the Investors in writing of any security obligation or other contractual commitment entered into by the Fund in relation to the Divestment Transaction or other event generating Non-Reinvestable Proceeds:

- (a) in relation to which a provision was booked to the accounts of the Fund with the relevant reduction of the Amounts to be Allocated, or
- (b) that may otherwise give rise to future liabilities for the Fund.

The AIFM shall also inform the Investors of any limitation agreed with counterparties with regard to the security obligations or other contractual commitments, or the probable maximum financial exposure of the Fund on the basis of those security obligations or contractual commitments.

B.3.5 Financing certain liabilities and recalculating the Amounts to be Allocated

The AIFM may withdraw sums from the Escrow Account or in second instance require Investors to return to the Fund Non-Reinvestable Proceeds distributed to them only in case the following circumstances occur:

- (a) the Fund incurs a liability in connection with a Divestment Transaction or other event generating Non-Reinvestable Proceeds;
- (b) the AIFM did not deduct the abovementioned liability or its entire amount when calculating the Amounts to be Allocated; and
- (c) the possibility that the Fund may be called upon to support that liability or the additional amount thereof was communicated to Investors when distributing the Amounts to be Allocated.

Pursuant to this paragraph B.3.5, the Investors shall return to the Fund any amount distributed to them during the preceding two years from the date of the Distribution, in reverse chronological order to that followed for distributions and up to a limit of 25% (twenty-five per cent) of all distributions received by the Investors.

B.3.6 Defaulting Investor

In any event, no distribution shall be made by the AIFM to a Defaulting Investor. The corresponding amount is set aside and:

- (i) paid to the Investor in question, without interest, where the Default ceases; or
- (ii) paid to the relevant Investor at the end of the liquidation period of the Fund as a Liquidation of the Units of the Defaulting Investor, within the limits set out in these Rules and without prejudice to the rights of the AIFM; or
- (iii) paid to the Purchaser, in the case provided for by paragraph C.2.9, in alternative to the cancellation of the Units.

B.3.7 Distributions in kind

There are no distributions in kind.

B.3.8 Reference

In the event of failure to collect the sums due to an Investor by way of income or partial redemption of Units, upon a distribution, the provisions of paragraph C.2.11 shall apply.

B.4 Expenses

The charges connected with the Fund's activities shall be allocated as indicated in articles below. The costs to be borne by the Fund's assets are represented by the fee to be paid to the AIFM, the Custodian, the Advisor and the service providers and the other costs indicated in this part of the Rules.

B.4.1 Expenses to be paid by the Fund

The Fund is responsible for the Management Fee, the Investment Transaction Costs, the Proceeds Generation Costs, the Establishment Fee and Other Expenses.

Management Fee

The remuneration for the Fund's management activities (the "**Management Fee**") is calculated as follows:

- (i) from the Initial Payment Date until the earlier of (A) 31 December of the calendar year in which the Investment Period ends (as extended, if applicable, under the Rules), and (B) the date on which a successor fund commences operations as contemplated in paragraph C.1.1.3, at the rate of 1.90% per annum of the Fund's Total Amount (i.e., investors aggregate total commitment);
- (ii) after such date, at the rate of 1.90% per annum of the net asset value (NAV) of the Fund as resulting from the last Management Report / NAV at end of applicable quarter.

The Management Fee shall include the remuneration for the advisory activities carried out by the Advisor and shall be paid:

- (i) on the date of each Closing to the extent and for the period provided for or referred to in paragraph C.2.6 below (for the part of the supplementary payments paid to cover the Management Fee);
- (ii) subsequently, in advance quarterly instalments due on the first Business Day of each calendar quarter.

The amount of the Management Fee determined in accordance with this paragraph is adjusted downwards by amounts received by way of Investment Fee in each calendar year. The AIFM shall ensure that the amount of the Investment Fee in each calendar year does not exceed the amount of the Management Fee in the same calendar year so that it can be fully offset in the same calendar year.

Costs for Investment Transactions

“Costs for Investment Transactions” include:

- (a) the amounts paid to Portfolio Companies and/or sellers for the subscription and/or purchase of Instruments and;
- (b) any expenses incurred or other costs arising in relation to Investment Transactions including but not limited to, travel expenses of Managers or Advisor personnel employed in the individual transaction, business due diligence, professional fees due for tax, legal, accounting, notary, environmental and financial assistance, fees paid to third parties for any reason (including those paid, even indirectly, to the Lead Investor), financial and tax charges as well as bank costs in general, regardless of whether such charges are recorded or can be recorded in the Fund’s accounts under capitalised costs.

These costs are:

- (i) charged to the Fund where the transaction takes place;
- (ii) divided by 50% each between the Fund and the Advisor where the transaction does not take place.

Proceeds Generation Costs

“Proceeds Generation Costs” include all expenses incurred and other costs arising in connection with Divestment Transactions or other events generating Proceeds, including, by way of example and without limitation, remunerations payable to professionals for tax, legal, accounting, notary or environmental advice and fees payable to intermediaries.

Establishment Fee

The Fund shall pay a fee to cover the charges relating to the establishment of the Fund (the **“Establishment Fee”**), which is due to the AIFM and Advisor on a one-off basis for the activity carried out, as well as by way of reimbursement of costs incurred, for the establishment and start-up of the Fund (including professional fees for tax and legal assistance, travel expenses, printing and transmission of the Rules and any related documents). The Establishment Fee is equal to EUR 494,500.00 (four hundred ninety-four thousand five hundred).

Other Expenses

The Fund is responsible for paying the following additional documented expenses (the **“Other Expenses”**), provided that they are properly incurred:

- (a) the annual remuneration to be paid to the Custodian for the duties performed by the Custodian is equal to the sum of:
 - (i) **Custody**: a fee equal to the greater of EUR 30,000 (thirty thousand) and an amount equal to 0.022% (zero point zero twenty two percent) of the Net Asset Value as set out in the last half-yearly statement or the last annual statement, if subsequent;
 - (ii) **Safekeeping**: a fee equal to the greater of EUR 1.000 (one thousand) or 0.0035% of the Fund’s Net Asset Value as reported in the last half-yearly statement or the last annual statement, if subsequent, paid for custody fees. The fee is paid in two deferred half-yearly instalments and VAT taxable in accordance with current regulations;
 - (iii) **Cashflow monitoring** - External Cash accounts: fees equal to EUR 500 per year in addition to VAT for each account, provided that the transactions are sent through “Straight-through processing (STP)”, according to the SGSS S.p.A. standards, and EUR 2.500 per year in addition to VAT, for each account;
 - (iv) **NAV Calculation (in outsourcing)**: a fee equal to 2 Bps (0.02%) with an annual minimum flat fee per fund of € 15.000,

(v) **Transfer Agency (in outsourcing):** a minimum annual flat fee of € 5.000;

(vi) **Register of Orders:** a flat fee of € 1.500 plus VAT.

The Custodian's remuneration shall be deemed to include any remuneration, consideration, charge or reimbursement of expenses in connection with the services, except for the recovery of expenses relating to taxes, duties and postal services.

- (b) secretarial expenses;
- (c) any costs of keeping accounting and drafting, reviewing and certifying the Fund's accounts, including the final liquidation and the other accounting documents;
- (d) any costs of drafting, translating, printing and submitting the periodic documents and other information documents addressed to Investors;
- (e) any Costs for Uncompleted Transactions;
- (f) legal and judicial expenses incurred in the exclusive interest of the Fund;
- (g) the indemnity to be provided to the AIFM;
- (h) financial charges for debts assumed by the Fund;
- (i) charges relating to the operations of the Advisory Board as well as any remuneration and/or reimbursement of expenses resolved by the Board of Directors in favour of the members of the Advisory Board, up to a maximum limit, for the entire body, of EUR 140,000 (one hundred and forty thousand) per year;
- (j) charges relating to insurance coverage given to members of the management or advisor and control bodies of the Portfolio Companies designated by the AIFM;
- (k) tax charges imposed by law on the Fund or whose requirements are linked to the assets or activities of the Fund, in the absence of a specific law provision governing the right of recourse of the Fund against the Investor;
- (l) expenses relating to the administrative, technical and commercial management and administration of any assets held in the assets of the Fund, including remuneration due to external entities to which the performance of those activities is entrusted and expenses incurred by the AIFM in carrying out those activities, taking into account any charges and expenses reimbursed by the users of the assets belonging to the Fund;
- (m) any annual supervisory fee payable to CONSOB;
- (n) the costs incurred in connection with sub-depositing Instruments;
- (o) the cost of opening and managing bank accounts;
- (p) the cost of keeping the order book; the remuneration to be paid to independent experts for the periodic valuation of assets held by the Fund other than the Instruments;
- (q) payments due as a Liquidation of Defaulting Investor Units;
- (r) the costs of acquiring studies and research, subscriptions to or purchasing of periodic sector magazines and the costs of subscribing to real-time online financial services (Bloomberg, Reuters, etc.) functional to the management of the Fund;

- (s) the costs actually incurred and duly documented for the preparation and conduct of the annual meeting with Investors as well as for the meetings of the Investors' Meeting, including the costs of renting any location but excluding, for the sake of clarity, the costs of board, lodging and travel of Investors;
- (t) the expenses actually incurred and duly documented for board, lodging and travel incurred by Managers in carrying out the monitoring activities of the Portfolio Companies;
- (u) any inherent cost and contingent liability as indicated in letters (a) to (u) above, on the understanding the AIFM is liable for any breach **of its duties under these Rules**.

The AIFM will, shortly after the end of each financial year, disclose to the Advisory Board the amount of Investment Fees, Costs for Investment Transactions and Other Expenses incurred during such prior financial year.

Payment

The AIFM shall provide for the payment of the costs charged to the Fund by withdrawal from the cash of the Fund at the exchange rate of the day on which the amounts were effectively disbursed.

In case of cancellation of the Units, the Management Fee financed by Disbursements from the other Investors shall be counted against the Fund's Total Amount reduced by the amount subscribed by the Defaulting Investor.

In the event of cancellation of Units, the part of the Establishment Fee, Investment Transaction Costs and Other Expenses which, in the absence of the event giving rise to the cancellation, would have been financed by Disbursements from the Investor whose Units have been cancelled, is initially financed by a corresponding increase in Disbursements due from other Investors.

Where the relevant sums cannot be subsequently recovered from the Investor whose Units were cancelled, they shall remain definitively charged to the Fund with cover by the Investors who initially financed them, any claims against the AIFM being excluded.

B.4.2 AIFM remuneration

The remuneration payable to the AIFM and the Advisor for the establishment of the Fund shall be equal to the Establishment Fee and, for the management of the Fund, shall be equal to the Management Fee.

B.4.3 Expenses to be paid by Participants

The individual Investors concerned shall pay:

- (i) the costs to issue or divide up the certificates, and for the dispatch thereof to the domicile of the requesting Investors;
- (ii) the costs of professionals appointed by the AIFM in the case of a transfer of Units by Investors;
- (iii) expenses relating to the means of payment used, at the request of Investors, for the partial or total redemption of Units and the distribution of other Proceeds by the Custodian; expenses relating to the delivery of certificates representing Units by the Investor or the AIFM in connection with Disbursement Requests, the redemption of Units or the distribution of other Proceeds;
- (iv) the costs relating to the Contribution Deed and the due diligence and evaluation activities prior to the Contribution;
- (v) any tax charges, if applicable, under the regulations in force from time to time.

The above costs shall be limited to covering the charges actually incurred by the AIFM, including vis-à-vis the Custodian, and shall be indicated from time to time to the investor concerned.

B.4.4 Expenses to be paid by the AIFM

B.4.4.1 Expenses to be paid by the AIFM out of the Fund's assets shall include the following:

- (i) costs relating to services provided by third parties such as, for example, tax, legal or notary advice when related to the Fund;
- (ii) any fee and/or reimbursement of expenses in favour of Managers participating in the activities of the Advisory Board;

B.4.4.2 Expenses to be paid by the AIFM shall include the following:

- (i) the AIFM's management and administration costs, including those relating to professional services provided by third parties in relation to the AIFM's management and administration;
- (ii) fees for any advisory and placement services provided to the AIFM in connection with the promotion of the Fund;
- (iii) any further charges, costs or expenses that are not expressly charged to the Fund or to Investors.

B.4.5 Costs borne by Portfolio Companies

In the drafting of the contracts governing the relationship between the Fund and the Portfolio Companies, the Fund may apply the following costs to be borne exclusively by the Portfolio Companies.

Abort Fee

In regulating relations with the target Companies, the Fund may provide, by way of liquidated damages, for the application to the same target company of a fee equal to 3% (three per cent) of the amount of the failed Investment Transaction for facts attributable solely to the Target Company ("**Abort Fee**").

Investment Fee

In consideration of the expenses incurred by the Advisor in the origination phase of the Investment Transactions, as well as the complexities in the assessment, structuring and implementation of certain Investment Transactions, the Advisor may charge a one-off fee to the Portfolio Companies equal to a maximum of 2% (two percent) of the total value of the Instruments covered by the Investment Transaction ("**Investment Fee**").

The application of the Investment Fee is excluded for all the Instruments subject to Contribution.

Payment of expenses borne by the Portfolio Companies

The payment of expenses will be governed by specific contracts entered into between the AIFM and Portfolio Companies.

B.5 Risk profiles

In view of the operating scheme of the Fund, the persons to whom the Units are reserved, the investment techniques and the assets in which the Fund invests, also with reference to the yield it proposes to generate, the investment in the Fund has in general a high-risk profile and, specifically, the following main risk profiles:

- (a) **market risk:** the risk that the value of the Fund's unit will fall as a result of fluctuations in the value of the assets in which the Fund's assets are invested. Specifically, the companies subject to investment are mainly companies that carry out, directly or indirectly, significant business activities in Italy: they are therefore specifically subject to the risk of the sector in which their activity is focused and, more generally, to country risk; moreover, Portfolio Companies may be subject to material events that may affect their value, such as, for example, the interruption of the distribution chain, the volatility of commodity prices, and natural events, including catastrophic or health events.

- (b) **valuation risk:** expresses the difficulty of valuing the Instruments in which the Fund invests because they are unlisted and for which the AIFM uses valuation models based on estimation techniques. The valuation of the assets, determined on the basis of all the information available to the AIFM, might not correspond to their capitalisation value;
- (c) **liquidity risk:** indicates the risk associated with the type of assets in which the Fund invests, *i.e.*, financial instruments not listed and/or for which there is no liquid market. The Fund's investment activities are long-term activities that tend to be illiquid. There is a risk that the sale of financial instruments in which the Fund is invested will take place at a price significantly below the value of the instruments;
- (d) **concentration risk:** it consists in the limited diversification of the issuers in which the Fund may invest, subject to compliance with the limits set out in these Rules. In addition, the Fund's assets may be invested in financial instruments issued by companies with limited diversification in terms of sector, geography, product range or client;
- (e) **counterparty risk:** expresses the risk inherent in the exposure to counterparties in transactions to which the Fund is exposed. The Fund's counterparties are, on the one hand, the Portfolio Companies and, on the other hand, the parties used for hedging, deposit or investment of liquidity, to obtain collateral or for debt (other than leverage), insurance, hedging, sum escrow deposit and sureties. The counterparty risk is characterised by the fact that the exposure, due to the type of contracts entered into between the parties, is uncertain and may vary depending on the performance of the underlying markets;
- (f) **credit risk:** this relates to the solvency risk of investee companies in which investments are made and to the risk of delays or defaults in capital drawdowns by Investors;
- (g) **currency and country risk:** investment companies may be characterised by a propensity to export, and may therefore expose the Fund to exchange rate volatility risk. In addition, where the Fund invests in financial instruments or assets denominated in currencies other than the Euro and in countries other than Italy, it is subject to exchange rate fluctuations and to the risks associated with the political, financial and legal situations of the countries where the assets are located;
- (h) **operational risk:** expresses the risk of events adversely affecting the investment in the Fund as a result of errors in internal procedures, inefficiencies in information systems, human error or external events, including legal risks;
- (i) **tax risk:** the return on investment in the Units of the Fund by each Investor may also be adversely affected by the introduction of regulatory changes or a change in the interpretation of existing regulations relating, for example, to (i) the tax regime applicable to the Fund and/or (ii) the tax treatment applicable to investments made by the Fund and/or (iii) the tax treatment applicable to distributions made by the Fund from Units and/or (iv) the tax treatment applicable to individual Investors;
- (j) **law and regulatory risk:** the Fund is subject to specific regulations in its sector. Any regulatory changes, to the national and international regulatory framework, or the adoption of new measures by the Supervisory Authorities, or changes in the interpretation of the regulations in force could affect the activity of the Fund and its economic, equity and financial situation, the possibility of effectively pursuing the investment policy and the Investment and Divestment Transactions;
- (k) **risk associated with the absence of a regulated secondary market and the illiquidity of the Units:** given that the Fund is established as a closed-ended fund, the investment in the Units is to be considered long-term and illiquid. Neither the Fund nor the AIFM shall be responsible for the redemption or repurchase of Units before the expiration of the Fund. The prospects of the investment being liquidated before the expiration of the Fund are mainly represented by the possibility of transfers of Units to third parties, and by the possibility that the AIFM will make partial pro-rata redemptions of existing Units; the transfer of Units is in any case subject to specific provisions of the Rules and the consent of the AIFM, so there is no guarantee that the Units can be transferred within a reasonable time even on the basis of an agreement between private individuals;

- (l) **risk of adverse decisions against minority Investors:** since the power to approve decisions such as the replacement of the AIFM, the amendment of the Rules or the early liquidation of the Fund itself is granted to certain majorities of Investors, there is a risk that a minority of Investors may be subject to decisions contrary to their will;
- (m) **risks associated with investments in unlisted companies:** the Fund's investment policy provides that its assets may be invested in unlisted companies, which involve higher levels of risk than similar transactions carried out in favour of companies with listed securities. More specifically, unlisted companies are not subject to a system of public control similar to that established for listed companies. This entails, among other things, the unavailability of a flow of information equal, in terms both of quality and quantity, to that of companies with listed securities. The lack of a regulated market may also give rise to difficulties in the divestment of securities in the portfolio which, if persistent, could lead to a delay in the liquidation of the units beyond the Fund's expiration date. These difficulties could be reflected in the sale price of the shareholding and, accordingly, in the value of the Unit;
- (n) **risks related to use of financial derivative instruments for hedging purposes:** In adverse circumstances, the Fund's use of financial derivative instruments may become ineffective in hedging and the Fund may suffer significant losses in relation to use of financial derivative instruments.
- (o) **other risks:** some investment transactions may have specific risks in addition to those mentioned above. Any shareholdings in companies where a change of business is foreseen may present specific risks related to the change of management of the same. The assumption of holdings in companies in temporary difficulty is characterised by lower predictability of results and, therefore, a higher degree of risk.

In addition, the Fund may invest in securities that are subject to reduction or conversion of capital instruments and/or bail-in (reduction or conversion of capital instruments and bail-in are measures for the management of the crisis of a bank or investment firm, set forth by Legislative Decrees Nos 180 and 181 of 16 November 2015 transposing Directive 2014/59/EU (known as Banking Resolution and Recovery Directive)).

It should also be noted that the Fund's liquidity deposited with intermediaries other than the Custodian is also subject to bail-in and that the Fund's deposits are excluded from any reimbursement by Deposit-Guarantee Schemes (Article 5(1) (h) of Directive 2014/49/EU).

The investor must consider all the risk described above in view of establishing whether the investment in the Fund is suitable to its risk profile and investment objectives.

In relation to its intrinsic characteristics and the duration of the Fund, the investment in the Fund is suitable for experienced investors, with a long-term investment horizon, for whom such investment is not the only investment programme and who are able to fully understand the characteristics of the Fund, the investment strategies adopted by the AIFM and the risks associated with them.

The AIFM does neither guarantee the achievement of the Fund's objective nor the return of the capital invested.

The Fund's yield may vary significantly from year to year depending on the performance of the individual assets in which the Fund's assets are invested.

The partial or total loss of the capital invested in the Fund is inherent in this type of investment, therefore the investor must be aware of this possibility.

C OPERATING PROCEDURES

C.1 Persons

In providing the collective management service, the AIFM and the Custodian shall cooperate in the implementation of the object of the Fund, in the interest of the Participants, in compliance with the regulations in force.

C.1.1 AIFM

The AIFM, in its capacity as manager of the Fund and thus on its behalf, shall ensure the execution of Investment and Divestment Transactions, the related negotiations, the exercise of the rights attached to the Instruments and all other management activities of the Fund in the interest of the Investors and in compliance with the provisions of the Rules and in compliance with the regulations in force.

The Board of Directors of the AIFM (the “**Board of Directors**”) is the primary management body of the Fund and is responsible for:

- (i) implementing the investment policy described in these Rules;
- (ii) identifying general investment and divestment strategies of the Fund’s assets;
- (iii) resolving on Investment Transactions and Divestment Transactions;
- (iv) defining the terms, conditions and procedures for carrying out these transactions in accordance with the objectives set out in the Rules;
- (v) resolving on the Fund’s liquidity allocation policies.
- (vi) taking any other decision or action provided for in these Rules.

The AIFM may assign tasks and responsibilities relating to the operational management of the Fund to directors, employees and/or independent contractors of the AIFM itself (the “**Managers**”).

The Board of Directors may delegate powers to directors and Managers for the implementation of Investment and Divestment Transactions. When granting proxies and powers of attorney, the procedures for the AIFM to control the performance of the persons entrusted shall be established.

The Board of Directors, without limitation or exemption from liability and within the limits of the laws in force from time to time, may make use of experts and consultants external to the AIFM.

In relation to the Fund, the AIFM may also outsource to third parties, within the limits of the regulations in force from time to time, corporate functions other than portfolio and risk management functions.

C.1.1.1 Replacement of the AIFM

Investors may replace the AIFM with a New Manager, by resolution of the Investors’ Meeting (the “**Replacement Resolution**”), in accordance with the procedures and terms set out below.

The Replacement Resolution shall contain:

- (i) the statement of replacement of the AIFM and the appointment of the New Manager;
- (ii) the approval of the amended Rules that follow the contents referred to in (i) above and containing any other amendment related to or resulting from this replacement;

A Replacement Resolution may be adopted when the conditions below are complied with:

- (y) after 12 months from the First Closing and in the absence of a Blocking Situation, a Replacement Resolution may be adopted with the Investors’ Enhanced Consent;

(z) within the term of 90 (ninety) days from the occurrence of a Blocking Situation, even on a date prior to 12 months from the First Closing, with the Investors' Ordinary Consent.

The Chairman of the Investors' Meeting shall promptly notify the AIFM of the Replacement Resolution by sending a copy of the following documents:

- (i) the Replacement Resolution;
- (ii) the amended Rules;
- (iii) a letter or other written notice by which the New Manager accepts the appointment under the conditions and the terms imposed by the Rules as amended, and states that it accepts the new Rules;

The Replacement Resolution shall take effect upon the approval by Investors of the amended Rules or from the date specified in the Replacement Resolution (the "**Effective Date**").

The AIFM shall cooperate with Investors so that the procedure to replace the AIFM with the New Manager is duly completed.

The AIFM shall not be entitled to receive from the Fund any further Management Fees after the Effective Date.

C.1.1.2 Some of the AIFM's management criteria and obligations

The AIFM shall also endeavour to ensure that:

- (i) Investment Transactions and Divestment Transactions shall be structured in a legally, tax and financially efficient manner, while the Investors acknowledge that the planning of an Investment Transaction and/or a Divestment Transaction requires subjective assessments of the risk that the AIFM makes at its discretion;
- (ii) the registration and listing of the Fund is not required on the basis of the rules governing the capital markets of jurisdictions other than the Italian one;
- (iii) the members of the management and control bodies of the Portfolio Companies designated by the AIFM benefit from a liability insurance policy at the expense of:
 - (a) the Fund, which provides it through a special umbrella cover extended to members of the AIFM's corporate bodies; or
 - (b) the Portfolio Companies, where possible and appropriate in relation to the need to have additional coverage against specific risks.

C.1.1.3 Certain prohibitions, incompatible investments and related requirements

Without prejudice to the prohibitions set forth by the applicable laws and regulations and the Rules, the AIFM shall comply with the following prohibitions, incompatible investments and related requirements and require compliance by Managers.

The AIFM and the Managers shall not co-invest with the Fund, directly or indirectly, in any Investment Transactions, it being understood that any pre-existing investments of the AIFM or the Managers shall be valued in accordance with paragraph C.1.4. Notwithstanding the foregoing, the AIFM and the Managers may co-invest with the Fund, directly or indirectly, in Investment Transactions in excess of the amounts that the Fund may invest in the relevant Portfolio Company in accordance with these Rules and with the prior favourable opinion of the Advisory Board. In any event, the AIFM and the Managers shall not make any investment in Target Companies except with the prior favourable opinion of the Advisory Board. Co-

investments made by Managers for their own account as a result of their investments in other funds managed by the AIFM are not incompatible.

After an Investment Transaction, the AIFM and the Managers may not directly or indirectly subscribe or purchase Instruments issued by the Portfolio Company involved with the exception of:

- (i) the Instruments that Managers may receive by way of remuneration or otherwise in relation to the corporate offices held by them in the Portfolio Company in related or affiliated companies;
- (ii) the additional Instruments that Managers may subscribe or purchase (if they have already invested in the Portfolio Company prior to the relevant Initial Investment Transaction):
 - (a) in the exercise of pre-emptive rights or other rights under the law, or contractual rights notified to the Advisory Board in connection with the Initial Investment Transaction;
 - (b) in any other case, following a favourable opinion of the Advisory Board.

All investment opportunities offered or presented to the AIFM or the Managers during the Investment Period and which the AIFM considers in good faith to be adequate and consistent with the investment policy of the Fund are evaluated, in the sole interest of the Investors, for the purposes of possible Investment Transactions and are not offered to third parties. However, the AIFM is entitled to offer third parties co-investment opportunities in accordance with the provisions of paragraph C.1.1.4.

The AIFM and the Managers are entitled to carry out any activity that is not expressly prohibited by the applicable laws and the Rules. Without prejudice to the above, it is acknowledged that, among other things:

- (i) the AIFM and the Managers may provide advice and other services in accordance with the provisions of the applicable laws and regulations:
 - (a) to Portfolio Companies during Investment Transactions and Divestment Transactions, as well as when the Fund is holding the relevant Instruments;
 - (ii) the AIFM and the Managers shall continue to carry out activities in relation to the management of the other funds managed from time to time by the AIFM.

The AIFM will procure that, save with prior Advisory Board approval, the Advisor will not commence the operation of any investment vehicle managed or advised by the Advisor, any of its affiliates, or any of their directors, officers or employees which has an investment strategy and geographical focus substantially similar to that of the Fund prior to the earliest to occur of: (a) the end of the Investment Period; (b) the date on which 75% of the Fund's Total Amount have been drawn down or committed in respect of investments, Fund expenses or other obligations or liabilities of the Fund.

C.1.1.4 Co-investments

In relation to an Investment Transaction, the AIFM may, based on what it deems to be in the best interests of the Fund, enter into co-investment and syndication agreements, if the relevant conditions are met. It is also understood that where the Investment Transaction is not fully syndicated, the AIFM may, as it deems in the best interests of the Fund, enter into co-investment and syndication agreements with one or more Investors (or affiliates of Investors), having discretionally assessed the nature of the activities carried out, their characteristics and experience. Such investment opportunities will be offered on condition that: (i) no Investor shall be granted a right of co-investment in preference to other Investors; (ii) any right of co-investment shall only be granted if it is in the best interests of the Fund (*i.e.*, by way of example, the offer of a right of co-investment only if the investment opportunity is larger than the amount of the investment which would be appropriate for the Fund to dispose of); and (iii) the relevant co-investment shall be arranged in accordance with the *pari passu* principle (*i.e.*, the relevant co-investment shall be made and disposed of on the same terms and conditions and at the same time as the Investment made by the Fund, unless

otherwise provided for by law or regulation or tax provisions, and meaning that each co-investor shall bear its proportionate share of the costs and expenses relating to such co-investment transaction).

C.1.1.5 Advisor

In view of the specific connotation of the Fund's investment policy and in order to ensure that the Fund is managed with specialist support relating to the reference sector, the AIFM will, for the entire duration of the Fund, make use, in the interests of the Fund, of services provided by the Advisor, including, but not limited to:

- (i) support in reviewing the general investment and divestment strategies of the assets making up the assets of the Fund;
- (ii) support in the research, selection and evaluation of the Fund's investment transactions, including in relation to the expected yield profiles in the relevant sector;
- (iii) support in determining the most efficient financial structure of the Fund's investment transactions;
- (iv) support in monitoring investments made;
- (v) support in determining and implementing the Fund's divestment strategies;
- (vi) support in the selection, from among persons with appropriate experience, knowledge, skills and adequate trustworthiness, of the professionals and advisors that the AIFM will be called upon to appoint in the interest of the Fund in the Portfolio Companies (known as operating partners).

The performance of the services will be remunerated through the advisory fee, to be borne by the Fund.

The Advisor may be removed from the role provided for in this paragraph and therefore replaced:

- (i) with the Investors' Enhanced Consent in the event that a just cause for removal and replacement occurs, i.e., the occurrence of one of the Blocking Situations referable to the Advisor (instead of the AIFM), with a resolution of the Investors' Meeting to be taken within ninety days of the occurrence of one of these circumstances; and
- (ii) in the absence of the conditions set forth in point (i) above, only after four years and 6 months after the First Closing with the Investors' Enhanced Consent.

If the Advisor Key Person should cease to be actively involved and devote a substantial portion of their business time to the business of the Fund and its investments, the AIFM shall immediately, (i) notify the Unitholders and (ii) suspend the Investment Period until such time as the Advisor have engaged replacements who have been approved by the Advisory Board. If at the end of a 6-month period, (a) the relevant replacements have not been approved by the Advisory Board and (ii) the Advisory Board has not authorised the AIFM to make new Investments Transactions, the Investment Period will be definitively closed.

C.1.2 Custodian

The custody of the Fund's assets and, if not entrusted to a different entity pursuant to Article 48(2) of the TUF, of the Fund's liquid assets, is entrusted to the Custodian specified in Article 3 above (Custodian), as the sole custodian.

Replacement in the role of Custodian shall not entail any discontinuance in the performance of the tasks assigned to it by law.

The AIFM may remove the Custodian's at any time without prior notice, while a written notice period of 6 (six) months is required for the resignation as Custodian.

The termination or resignation shall become effective after:

- another person specified in Article 47, paragraph 2, of the TUF, satisfying the legal requirements, accepts the role of custodian in place of the previous one;
- the Board of Directors has approved the resulting amendment to the Rules; and
- the assets of the Fund entrusted to the Custodian and the liquid assets of the Fund, where held by the former Custodian, are transferred and credited to the new custodian.

The Custodian may, under its own responsibility, avail itself of delegates for the safekeeping of the Fund's assets.

Relations with the custodian shall be governed by the law applicable to the Fund.

C.1.3 Investors' Meeting

Investors shall meet in a meeting to resolve on the matters reserved to them, in accordance with the terms and conditions set forth in this paragraph ("**Investors' Meeting**" or "**Meeting**").

The Investors' Meeting shall pass resolutions only on the following matters:

- (i) appointment of the members of the Advisory Board;
- (ii) replacement of the AIFM;
- (iii) early liquidation of the Fund.
- (iv) all other matters reserved for the Investors' Meeting in accordance with the laws and regulations in force at the time;
- (v) any other matter or issue placed on the agenda by the AIFM or the Advisor.

The Investor's Meeting shall be convened by the Board of Directors, also outside the registered office of the AIFM itself or by electronic means.

The Investors' Meeting shall be convened without delay when matters for which it is responsible shall be resolved upon. It shall also be convened without delay when requested by a number of Investors representing at least 30% (thirty percent) of the total nominal value of the A Units issued and the request to convene the meeting shall specify the matters to be dealt with within the limits of the powers assigned to such body pursuant to the Rules and the relevant legislation. If the Board of Directors does not convene the meeting within 5 Business Days of the request, the Chairman shall convene the meeting.

The Investors' Meeting shall be convened by registered letter with acknowledgement of receipt or certified e-mail to be sent at least fifteen days or, if it is in the best interests of the Fund, eight days prior to the date set for the meeting on first call. The notice must specify the day, place and time for the meeting, the agenda and all the necessary information concerning the right to take the floor and vote including by correspondence (*i.e.*, in this case, the text of the proposed resolution).

The Investors' Meeting is validly quorate, even if the above formalities are not complied with, provided that 100% (one hundred percent) of the A Units issued is represented, including by proxy, and none of the Investors entitled to attend objects to the discussion of the items on the agenda.

The Investors' Meeting may be attended by Investors who hold A Units on the day the Meeting is convened. Investors may be represented at meetings of the Investors' Meeting.

Investors' Meeting may also be held by teleconference or videoconference. In this case, the meetings of the Investors' Meeting are deemed to be held in the place specified in the notice of call, where the Chairman and, where appointed, the secretary are located, in order to allow the minutes to be drawn up and signed.

The exercise of the right to vote by correspondence is permitted. Voting by correspondence shall be exercised in the manner specified in the notice of call.

The Investors' Meeting, at the first available opportunity, elects from among its members, with the vote of the absolute majority of those in attendance, the chairperson, who remains in office until the date of approval of the management report for the third financial year ended after the date of their appointment. The chairperson of the Investors' Meeting, who shall have the powers referred to in this paragraph, may be assisted by a secretary, appointed by the Investors' Meeting.

The chairperson of the Investors' Meeting shall: (i) convene, verify if the Meeting is regularly convened and preside over the Investors' Meeting, (ii) establish the order and manner of voting and ascertain the results thereof, (iii) draw up, sign and, in addition, submit to all Investors and to the Board of Directors the minutes of the Meeting, (iv) verify that the Board of Directors carries out the resolutions of the Investors' Meeting.

The Investors' Meeting shall be validly convened if as many Investors holding a number of A Units as follows attend, or are validly represented by proxy, or have validly exercised their right to vote by correspondence:

- (i) the Replacement Resolution, with the majorities provided for in paragraph C.1.1.1;
- (ii) the early liquidation of the Fund, with the Extraordinary Consent;
- (iii) as regards the other resolutions on matters for which the Investors' Meeting is responsible, with the Investors' Ordinary Consent, where these Rules do not provide for different quorums and majorities.

C.1.4 Advisory Board

The Investors' Meeting shall appoint the members of an advisory board (the "**Advisory Board**"), which is responsible for providing a prior mandatory but non-binding opinion on individual Investment and Divestment Transactions.

The Advisory Board shall give its mandatory and binding opinion on:

- (i) the extension of the duration of the Fund;
- (ii) the extension of the Investment Period;
- (iii) Investment Transactions and/or Divestment Transactions or acquisitions of loans on behalf of the Fund in relation to which the AIFM, one or more members of the Board of Directors have, by reason of their past investments or for other reasons an interest in conflict, known to the Board of Directors, with those of the Fund. In this respect the AIFM shall provide the Advisory Board with all the information necessary to oversight over all potential conflicts of interest which may have a material adverse effect on the Fund or any investments;
- (iv) acquisitions from and/or disposals to and/or investing alongside the Advisor and all of its employees (as well as the AIFM), any other investment vehicle in respect of which any of them provides any investment advisory, management, consultancy or similar services;
- (v) the breach of the investment limits in the circumstances set out in paragraph B.1.3.5, without prejudice to the mandatory limits laid down therein;
- (vi) investments made by the AIFM or the Managers or the Advisor in the cases provided for in paragraph C.1.1.3, without prejudice to the prohibitions laid down in the rules in force;
- (vii) the purchase or subscription of Instruments issued by Portfolio Companies by Managers in the circumstances set out in paragraph C.1.1.3; and
- (viii) any other matter which may constitute a conflict of interests relevant to the Fund and the Investors.

The Advisory Board shall give its mandatory and non-binding opinion on the material amendment or variation to the Advisory Agreement entered into between the AIFM and the Advisor.

It is understood that the Advisory Board operates with technical and advisory functions, without prejudice to the responsibilities of the Board of Directors for Investment Transactions, Divestment Transactions, related negotiations, the exercise of rights relating to the Instruments and for any other management activity of the Fund.

The Advisory Board is composed of:

- (i) one member chosen from persons outside the AIFM appointed by each Investor that at the First Closing is holding Units with a minimum value of EUR 10,000,000.00; and
- (ii) seven members appointed by the Investors' Meeting through the procedure described below: the Participants who individually or jointly with other Participants hold at least 5% of the Units shall submit a list of candidates at the AIFM's registered office no later than the day before the Investors' Meeting has been called to resolve on the appointment of the members of the Advisory Board; each list shall contain a maximum number of 5 candidates in progressive order: the name of a candidate may not appear on more than one list; the curriculum vitae of each candidate must be attached to the list; each Participant may vote for only one list and will have a number of votes proportional to the Units represented; following the vote, four members will be taken from the list that obtained the highest number of votes, two from the second and one from the third list.

The members appointed shall have proven experience and expertise in the investment sectors of the Fund.

The members appointed under (i) above will remain in office for the duration of the Fund and the members appointed under (ii) will remain in office for 12 months and for a maximum of three consecutive terms.

The Advisory Board shall appoint a chairman from among its members.

In the event of resignation, termination or death of a member of the Advisory Board, provided that the majority of the members remain in office, the chairperson, or in the absence thereof the Investors' Meeting, will replace them with the candidate immediately following the last candidate appointed from the same list to which the outgoing member belonged.

The Advisory Board shall decide with the favourable vote of the absolute majority of its members.

The Advisory Board may appoint an independent legal counsel at the cost of the Fund when it deems appropriate.

The Advisory Board members and the Investors that appoint them (a) shall have no liability to the Fund, the Investors, the AIFM, the Advisor or each of their directors, officers and employees, and (b) shall be indemnified by the Fund, in respect of any losses, liabilities, claims, damages or similar arising out of the carrying on of their function as Advisory Board members. The Advisory Board members do not owe any fiduciary or other duties to any of the aforementioned persons.

The favourable vote or approval of the Advisory Board shall in all circumstances in this Agreement mean the prior approval of the Advisory Board, either in writing or given in a meeting of the Advisory Board.

C.2 Investing in the Fund

C.2.1 Investing procedures

Investing in the Fund shall be carried out through the subscription or the purchase in any capacity of the Units.

The AIFM may use third parties to market the Units.

C.2.2 Acceptance of the Rules

Investing in the Fund entails the acceptance of these Rules, a copy of which is delivered to Investors in the context of the subscription transactions.

C.2.3 Subscription application

The subscription of the Units may take place:

- (i) against payment of a cash amount, or
- (ii) by contribution of Instruments, provided that the latter represent a majority interest in the capital of the Target Company and other assets specified in the object of the Fund, having characteristics consistent with the investment policy of the Fund, which shall be valued net of any indebtedness or guarantee relating to the same (the “**Contribution**”), or
- (iii) in mixed form, in both of the manners set out in points (i) and (ii) above.

The subscription of the Units involves filling out and signing a specific form prepared by the entity appointed by the AIFM and addressed to the same. The AIFM reserves the right not to accept subscription applications that are incomplete, altered or otherwise do not comply with the provisions of these Rules.

Each Investor shall notify the AIFM of any updates to the details, contained in the subscription form, or provided when purchasing the Units, which occurred after the first notice and events known to the Investor which, in the opinion of the Investor or according to the AIFM’s reasonable request, are or may become significant for the Fund, the other Investors or the AIFM.

In the event of a Contribution, the Investor enters into a preliminary contribution agreement with the AIFM, whereby the Investor undertakes to make the Contribution within the time frames and in the manner agreed with the AIFM, a contribution agreement of the assets to be Contributed and/or any other agreement in any event serving the purposes of completing the Contribution, specifying the number of Units subscribed, calculated on the basis of the appraisal drawn up for such purpose (all the above, jointly, the “**Contribution Deed**”).

Before the conclusion of the subscription, the AIFM shall make the offer document referred to in Article 28 of CONSOB Regulation No. 11971/1999 available to potential subscribers by delivery or e-mail of the same, subject to compliance with the procedures provided for this purpose vis-à-vis the Supervisory Authorities.

C.2.4 Subscribed Amounts

For A Units, the minimum amount of each subscription is equal to:

- (i) 500 (five hundred) A Units, for a countervalue of EUR 5,000,000 (five million), if they are subscribed by Investors automatically falling within the definition of professional client pursuant to Consob Regulation No. 20307/2018;
- (ii) 100 (one hundred) A Units for a countervalue of EUR 1,000,000 (one million), if they are subscribed by Investors falling within the definition of professional client on request pursuant to Consob Regulation No. 20307/2018.

The AIFM, in its sole discretion, may accept Subscribed Amounts in relation to A Units,

- (i) for amounts lower than the aforesaid amounts, for Professional Investors;
- (ii) for amounts lower than the aforesaid amounts, provided that they are not lower than EUR 500,000 (five hundred thousand), for Qualified Investors;

(iii) for amounts lower than the aforementioned amounts, even lower than €500,000 (five hundred thousand) for Managers who are directors and/or employees of the AIFM, in accordance with article 14, paragraph 4 of the Decree.

In relation to the subscription of B Units, the above-mentioned thresholds do not apply, without prejudice to the provisions of Article 14 of the Decree.

In case of subscription by means of a Contribution, the Investor shall receive a number of Units equal to the value of the assets contributed - determined in accordance with the relevant appraisal on the date of the Contribution Deed - and divided by the nominal value of a Unit. Where a whole number of Units cannot be allocated, the Investor shall undertake to make a cash settlement, expressed in Euro, for the missing amount and, if the Contribution is made after the First Closing, for the payment of the Compensatory Interest.

Following the achievement of the Fund's Minimum Amount, the subscription of the Units is final for the Investor, and the Investor undertakes with the same to act in accordance with the terms and conditions of these Rules and, specifically, to make the Disbursements in accordance with the following provisions.

C.2.5 Subscription Period

The Units' subscription period is 24 (twenty-four) months from the successful completion of the marketing procedure (the "**Subscription Period**"). In relation to the progress of participations, The AIFM may, by giving notice thereof to Banca d'Italia and the Investors:

- (i) anticipate the Final Subscription Time Limit to the last calendar day of any month within the Subscription Period (the "**Early Subscription Time Limit**");
- (ii) extend the Subscription Period, in order to complete the collection of the Fund's assets, for a maximum period of 12 (twelve) months, if one or more of the following cases occur:
 - (a) where regulatory changes at national and/or international level require the AIFM to make material adjustments to organisational or management procedures and processes; or
 - (b) where the AIFM has received - close to the Final Subscription Time Limit - an expression of interest from one or more potential investors whose investment in the Fund may prevent the downsizing of the Fund; or
 - (c) if reasons attributable, by way of example, to market trends and/or macroeconomic assessments suggest that the start of the Investment Period should be delayed in favour of an extension of the Subscription Period.

If Subscribed Amounts for at least EUR 50,000,000 (fifty million) (the "**Fund's Minimum Amount**") are collected by the Final Subscription Time Limit, the AIFM shall notify the Investors by written notice stating:

- (i) the total Subscribed Amounts up to the date of the notice;
- (ii) the Closing date relating to the Subscribed Amounts by the Investors, in any case after at least 3 (three) Business Days from the date of the notice;
- (iii) the amount that Investors shall contribute to the Fund as First Disbursement on the Closing date; and
- (iv) the Early Subscription Time Limit, if any.

If any additional Subscribed Amounts are collected after the date of said notice but before the Final Subscription Time Limit, the AIFM shall notify the Investors, upon each Closing, by written notice stating:

- (i) the sum of the Subscribed Amounts up to the date of the notice, distinguishing between those already covered by previous notices;

- (ii) the Closing date relating to the Subscribed Amounts after the latest of the previous notices, which must be at least seven Business Days later than the date of the notice;
- (iii) the amounts that the Investors must pay to the Fund on the date of the relevant Closing;
- (iv) the Early Subscription Time Limit, if any.

The AIFM shall also send to each of the Investors of the Subscribed Amounts under (ii) above a schedule indicating the amount to be paid to the Fund and the methods of calculating such amount.

Where, after the Final Subscription Time Limit, the Fund is finally subscribed for an amount lower than EUR 300,000,000 (three hundred million), but equal or exceeding the Fund's Minimum Amount, the AIFM shall notify in writing Banca d'Italia and the Investors that the Fund value is reduced to the extent of the Subscribed Amounts up to that time limit. If, on the date of the Final Subscription Time Limit, the Fund is subscribed for an amount lower than Fund's Minimum Amount, the AIFM shall inform Banca d'Italia and the Investors of the project's abortion and the release of Investors from their commitments made when subscribing to the Units and, specifically, their obligation to make Disbursements.

Where, as at the Final Subscription Time Limit or the Early Subscription Time Limit, the Fund is subscribed for an amount exceeding EUR 300,000,000 (three hundred million), the AIFM shall notify in writing Banca d'Italia and the Investors that the Fund's Total Amount is redetermined to the extent of the Subscribed Amounts up to that time limit. For the avoidance of doubt, the AIFM shall ensure that the Fund's Total Amount does not exceed EUR 300,000,000 (three hundred million) and shall not accept subscriptions from Investors which would cause the Fund's Total Amount to exceed such amount.

C.2.6 Closing, Initial Disbursements and issuance of Units

Without prejudice to the provisions set forth below with reference to Investors subscribing the Units by means of Contribution, Investors shall make, by the Closing date specified by the AIFM (the "**First Closing**"), the Disbursement (the "**First Disbursement**") requested therein in proportion to the respective Subscribed Amounts. The First Disbursement includes:

- (i) an amount equal to the Establishment Fee;
- (ii) an amount equal to the Management Fee calculated on the total Subscribed Amounts on the date of the notice under paragraph C.2.5 for the period from the Initial Payment Date until the end of the calendar quarter following the calendar quarter in which the date of First Closing falls;
- (iii) an amount intended to ensure that the Other Expenses forecasted for the subsequent 6 (six) months are covered;
- (iv) any amount intended to ensure coverage of the Investment Transaction Costs which, based on the AIFM's prudent estimate, the Fund must bear in the subsequent thirty days.

In case of subscription of the Units by means of Contribution, the Investor, pursuant to the Contribution Deed, will contribute to the Fund all the assets included in the Contribution and the related cash settlement with the subsequent payments. These amounts, considering the assets contributed at the value attributed to them upon valuation, will be taken into account in subsequent Disbursement Requests in order to equalize the position of the contributing Investor with respect to other Investors. The AIFM shall review the equalization at its sole discretion, within the Final Subscription Time Limit as well as any extended deadline. The Units pertaining to the Investors shall be issued (at the nominal value) by the AIFM upon the First Closing. In the event that the contribution value of the contributed assets divided by the nominal value of the Unit results in a residual, the contributor will supplement his contribution by paying in cash the amount necessary to subscribe for and issue a full number of Units.

A. In the case of one or more Closings subsequent to the First Closing, in order to redistribute proportionally the investments and charges already incurred, Investors participating in the Closing

subsequent to the First Closing ("**Future Investors**") will be required to pay to the Fund, by the date of Closing and in relation to the Units subscribed, an amount equal to

$x + y + z$

where:

"x" is an amount equal to the sum of (a) the portion of the Management Fee calculated on the total Subscribed Amounts by Future Investors for the period from the Initial Payment Date until the end of the Management Fee Reference Period in respect of which previous Investors (the "**Previous Investors**") have made Disbursements to cover the Management Fee and (b) the portion of the Establishment Fee calculated on the total Subscribed Amounts by Future Investors;

"y" is an amount equal to:

$a * b / c$

where:

"a" is equal to the total Disbursements already requested by the AIFM from Previous Investors, except for those made to cover the Management Fee;

"b" is equal to the total Subscribed Amounts by Future Investors;

"c" is equal to the sum of the Subscribed Amounts by Future Investors and Previous Investors;

"z" is the interest accrued at an annual rate equal to Euribor increased by 300 (three hundred) basis points on the amounts referred to under "x" and "y" above until the date of the Closing in question from the dates of the relevant Disbursements by the Investors who participated in the previous Closings.

Should the interest rate under letter "z" be in breach of Law No. 108 of 7 March 1996 and its implementing provisions, interest shall be calculated at the rate from time to time corresponding to the maximum threshold allowed by law.

B. The amounts paid by Future Investors pursuant to this Article shall be used by the AIFM to make the following payments:

(i) the amounts referred to in letter "x" (portion of the Management Fee calculated on the Subscribed Amounts by Future Investors) plus the related interest (portion of "z") shall be credited to an account in the name of the AIFM ;

(ii) the amounts referred to in point "x" for the portion of the Establishment Fee calculated on the Subscribed Amounts by Future Investors shall be credited to an account in the name of the AIFM;

(iii) the amounts referred to in letter "y" shall be paid to Previous Investors in proportion to their respective Subscribed Amounts;

(iv) interest accrued in relation to the sums referred to in point (iii) above (portion of "z") shall be paid to Previous Investors in proportion to their respective Subscribed Amounts as compensatory interest.

C. Sums paid by Future Investors shall be considered as Disbursements for all purposes of these Rules only for the part of them marked with letters "x" (part of the Management Fee calculated on the Subscribed Amounts by Future Investors) and "y" (Establishment Fee, Other Expenses and Costs for Investment Transactions).

D. If one or more Future Investors fail to pay the amounts referred to in this Article, the AIFM shall, within a reasonable period of time, request the remaining Future Investors to make supplementary

payments to the Fund up to the amounts owed by them not taking into account the Subscribed Amounts of the Future Investors.

The Units pertaining to Future Investors shall be issued (at the nominal value) by the AIFM upon the single Closing or, in the case of several Closing, the Last Closing; they are included in the cumulative certificate. In the event of more than one Closing, the First Disbursement as well as any further Disbursement made by Investors on the occasion of each Closing other than the Last Closing, are accounted for by the AIFM as down payments by Investors. At the Last Closing date, Disbursements cease to be accounted for as advance payments and are reclassified as partial payments of Units issued at the same time

C.2.7 Disbursements

Without prejudice to provisions relating to Investors that make Contributions, Investors contribute the amount relating to the subscribed Units (the “**Subscribed Amount**”) in several payments at the request of the AIFM, based on the financial needs related to the Fund’s management.

For this purpose, the Disbursements are requested by the AIFM, except as specified below, with notice sent at least ten (10) Business Days before the date by which the payment is to be made (the “**Disbursement Request**”). Notwithstanding any of the above provisions, the First Disbursement shall be requested by the AIFM by written notice sent at least three Business Days before the date by which the payment shall be made.

The amount specified in the Disbursement Request shall be paid by Investors in proportion to the Amounts Potentially Subject to Drawdown by them and may in no case exceed the Subscribed Amounts.

The AIFM indicates the intended use of the amounts requested in the Disbursement Request, specifying whether they are intended to finance:

- (a) Costs for Investment Transactions, specifying, where possible, the potential Portfolio Company, reserving the AIFM the right not to send Investor’s information which is subject to confidentiality commitments undertaken in the context of the Fund’s management activities or for which confidentiality requirements exist in any event;
- (b) the Establishment Fee;
- (c) the Management Fee;
- (d) Other Expenses;
- (e) other obligations borne by the Fund (including, without limitation, repayment of loans).

After the Investment Period’s expiration, the AIFM may request Disbursements from Investors only to finance:

- (i) Costs for Investment Transactions, provided that:
 - (a) in the case of Initial Investment Transactions, they are carried out against indicative or binding offers or similar preliminary commitments made by the Fund during the Investment Period and not yet completed and provided that the AIFM reasonably deems it can complete the Investment Transaction within 6 (six) months after the expiration of the Investment Period, it being understood that the AIFM must in any event waive the Investment Transaction in question if it is not completed within 12 (twelve) months after the expiration of the Investment Period
 - (b) in the case of Additional Investment Transactions, Disbursements requested from Investors for this purpose shall not exceed in aggregate the lesser of 25% (twenty-five per cent) of the Fund’s Total Amount and the Amounts Potentially Subject to Drawdown;
- (ii) the Management Fee;

- (iii) other Expenses;
- (iv) other obligations borne by the Fund (including, without limitation, repayment of loans).

Cash Disbursements must be made in Euro, only by bank transfer in the Fund's name to the bank account indicated on the subscription form, specifying that these transfers are disbursements in respect of the Units.

In order to comply with the time limits set out in these Rules, the day of the actual availability of the amounts at the Custodian Bank is the relevant date.

C.2.8 Repayment of Disbursements and increase in the Amounts Potentially Subject to Drawdown

If the AIFM repays Disbursements to the Investors, the above Disbursements shall be reconverted as down payments and the amounts repaid to the Investors, by way of repayment of down payments, shall be counted as an increase in the Amounts Potentially Subject to Drawdown.

C.2.9 Investors' Default

For the purposes of these Rules, "**Default**" means any Investor's failure to pay the amounts under a Payment Request by the final date specified therein.

The Investor in default (the "**Defaulting Investor**") is required to pay interest on late Payment to the Fund at an annual rate equal to the Euribor recorded on the last date of Payment specified by the AIFM plus:

- 250 (two hundred and fifty) basis points per year for the 10 (ten) Business Days following the last date of payment specified to the AIFM; and
- 500 (five hundred) basis points per year starting from the eleventh Business Day following the last date of Payment specified by the AIFM and up to the date of actual Payment.

In any event, the above rates cannot be negative. Should this interest rate be in breach of Law No. 108 of 7 March 1996 and its implementing provisions, the applicable interest rate shall correspond to the maximum threshold allowed by law from time to time.

In case the Default lasts for more than ten Business Days from the final date indicated in the Payment Request, the AIFM shall inform the Investor concerned thereof, requesting Payment within the next 5 (five) Business Days. If the default continues beyond the expiration of that period, the AIFM shall inform all Investors by means of a notice (the "**Default Notice**") which shall specify:

- the Defaulting Investor;
- the Units held by the Defaulting Investor and the Disbursements already drawn in relation to those Units including the unpaid amount;
- the amount in the Payment Request not contributed to the Fund.

As from the Default Notice, the rights of the Defaulting Investor are suspended, as well as the right to receive distributions up to the amount of the Default. If after ten Business Days from the Default Notice the Defaulting Investor has not carried out the Payment, the following provisions of this paragraph shall apply, unless: (i) the Defaulting Investor has declared in writing that it is willing to transfer its Units; (ii) the AIFM considers, at its absolute discretion, also on the basis of any indications provided by the Defaulting Investor, that the conditions for such transfer to take place are met; (iii) the requested Payment is made by the purchaser within 60 (sixty) days from the date of the Default Notice.

A. The Defaulting Investor forfeits the right to participate to qualified majorities of Investors, where this is relevant to the exercise of the powers granted to Investors by these Rules.

B. The Defaulting Investor forfeits the right to participate in the financing of further Investment Transactions carried out by the Fund.

C. The Units held by the Defaulting Investor will be cancelled, any certificates issued will be withdrawn, and the Fund's Total Amount will be reduced to an extent equal to the Subscribed Amount of the Defaulting Investor, which is released from the obligation to make further Disbursements, unless as otherwise provided in this article. As full payment of all amounts due to the Defaulting Investor in respect of the cancellation of the relevant Units and the release from the obligation of making Disbursements, the Defaulting Investor is entitled to receive, in fulfilment of an obligation of the Fund and no longer as an Investor, the lesser of the following amounts (the "Liquidation of Defaulting Investor's Units"):

- (i) the total amount paid by the Defaulting Investor (including the net value of the assets contributed) to the Fund to finance Investment Transactions less any amounts already returned to the Fund as partial redemption of Units or payment of income;
- (ii) the Defaulting Investor's share (calculated as if there had been no Default) of all distributions received by Investors after the Default Notice until the end of the Fund's life in relation to the Investment Transactions that the Defaulting Investor has contributed to financing.

Without prejudice to this article, the Liquidation of the Defaulting Investor's Units shall be calculated and paid to the Defaulting Investor at the end of the Fund's liquidation period.

D. The Defaulting Investor is required to pay the Fund, by way of liquidated damages and without prejudice to the right of the AIFM to greater damages, the greater of the following amounts:

- 30% (thirty per cent) of the Defaulting Investor's Subscribed Amounts;
- 50% (fifty percent) of the portion not contributed of the Defaulting Investor's Subscribed Amounts;
- 100% (one hundred per cent) of the Payment requested and not made by the Defaulting Investor.

E. The Defaulting Investor shall remain obliged to contribute, until the end of the Fund's life, to the coverage of all expenses borne by the Fund for which the AIFM requests Payments from Investors, including the Management Fee, in proportion to the Subscribed Amounts by the Defaulting Investor.

F. Without prejudice to the AIFM's right to exercise any remedy under the law to collect, also under a court order for mandatory enforcement, any amount payable to the Fund by the Defaulting Investor, including those referred to in sections D and E above, any amounts not collected by the AIFM by the payment date of the Liquidation of the Defaulting Investor's Units are retained and offset with the amount payable by the AIFM to the Defaulting Investor for the Liquidation of the Defaulting Investor's Units or any further right based on or connected with these Rules.

G. If the Defaulting Investor fails to pay the Fund the amounts referred to in sections D and E above, or part thereof, and the balance cannot be settled by offsetting under section F above, any sums paid by the Defaulting Investor under sections D and E above or settled by offsetting under section F above shall be allocated:

- (i) firstly, to cover the expenses, including the Management Fee, referred to in section E above, pro rata with respect to the amount of each of them;
- (ii) secondly, to pay the liquidated damages referred to in section D above.

As an alternative to the cancellation of the Defaulting Investor's Units, the AIFM may allow the transfer of Units, or part thereof, to other Investors or to third parties on the following terms and conditions.

Upon acquisition of the Units and, in any event, no later than 60 (ninety) days from the date of the Default Notice or within the longer period authorised in writing by the AIFM, the party or parties which acquire the Units of the Defaulting Investor shall make, in favour of the Fund, the Payment not made by the Defaulting Investor with interest calculated for the period between the above-mentioned date and the actual date of Payment.

In the absence of transfer of the Units of the Defaulting Investor and of Payment within 60 (sixty) days from the date of the Default Notice, or the longer period authorised in writing by the AIFM, if negotiations for the transfer of the Units are in progress, the AIFM may allow an extension of the time limits provided for by these Rules.

C.2.10 Blocking Situation

Each of the circumstances specified in this Article constitutes a “**Blocking Situation**”.

A. The AIFM, the Advisor and/or at least one of the AIFM’s directors or one of the Advisor’s directors (to the extent applicable) shall (i) be liable for a serious breach of the Rules or any other legal act or document relating to the Fund, ascertained by a final judgment, even if not immediately enforceable, or (ii) commit, in the exercise of his or her duties relating to the management of the Fund (a) fraudulent acts in any event ascertained by a final judgment, even if not immediately enforceable or (b) gross negligence or wilful default actions or inactions or acting in bad faith, or (iii) be liable for any conduct that is not immediately enforceable, due to the nature of any breach committed, the circumstances and/or consequences thereof, is likely to irreparably affect the fiduciary relationship of Investors with the AIFM and this fact is contested in writing by Investors A representing the 66% of the Total Subscribed Amount by Investors A with specific indication of the aforementioned proceedings or order and statement that the fiduciary relationship with the AIFM is irreparably affected due to the occurrence of the event in question.

B. The AIFM authorisation granted by the CSSF is revoked or otherwise permanently ceases to be effective.

C. The AIFM is placed in voluntary liquidation (“*liquidazione volontaria*”) or is subjected to an extraordinary administration procedure (“*amministrazione straordinaria*”), a compulsory liquidation procedure (“*liquidazione coatta amministrativa*”) or other applicable insolvency proceedings.

From the date of the occurrence of a Blocking Situation (the “**Blocking Date**”), (i) the Investment Period, if still in progress, (ii) the AIFM’s right to carry out further Disbursement Requests to finance Investment Transactions other than those which, on the Blocking Date, the Fund is contractually required to carry out; and (iii) in the Blocking Situations referred to in sections A, B or C above, the Management Fee, are suspended.

In the event of a Blocking Situation referable to the Advisor, the amount of the preferential distribution grant to the B units as provided for in paragraphs B.3.3 is reduced (X) by 50% in the Blocking Situation referred to in section A(i), A(ii)(b) and A(iii), and (Y) by 100% in the Blocking Situation referred to in section A(ii)(a).

The AIFM shall promptly notify Investors in writing of the occurrence of a Blocking Situation.

In the event of a Blocking Situation, Investors, within 240 (two hundred and forty) days from the date of the notice, may:

- (i) carry out, with the Investors’ Enhanced Consent, the termination of the effects of the Blocking Situation and, if the Investment Period is still in progress, the resumption of the latter; or
- (ii) carry out, with the Investors’ Enhanced Consent, the final interruption off the Investment Period, if still in progress; or
- (iii) carry out the early liquidation of the Fund with the Investors’ Extraordinary Consent; or
- (iv) adopt, in the context of an Investors’ Meeting convened for this purpose, a Replacement Resolution pursuant to paragraph C.1.1.1.

If Investors fail to adopt, within the above-mentioned time limit, any of the decisions set out therein, the Investment Period, if still in progress, will finally terminate and the Fund will be wound up in accordance with paragraph C.5.2.

C.2.11 Redemption of Units

Redemptions in case of Divestment Transactions

In the case of Divestment Transactions, the AIFM may carry out the partial redemptions of Units in favour of Investors (pro-rata), together with distributions of any income.

Redemption procedure

The redemption shall be made by the AIFM in compliance with the criteria set out in these Rules. The AIFM shall give prior notice to the Investors, specifying the Divestment Transaction in relation to which the redemption is to be made, the amount that it intends to redeem for each Unit - specifying the percentage distributed with respect to the proceeds of the Divestment Transaction - and the procedure for obtaining redemption.

Deposit of uncollected amounts

Amounts resulting from partial redemption not collected by Investors within five months from the date of commencement of redemption operations shall be deposited with the Custodian Bank in an account in the name of the AIFM linked to the payment of amounts resulting from partial redemption of Units and, if possible, with sub-items specifying the names of the persons entitled.

Notice of deposit

The AIFM notifies the person entitled to the redemption of the deposit of the sums with the Custodian Bank, which pays such sums to the person entitled in accordance with the instructions given to the AIFM by that person.

Time barring

The rights incorporated in the certificates not submitted for partial redemption are time barred in favour of the other Investors, if not exercised within the statutory time limits, as from the day on which redemption operations begin.

C.2.12 Unit Transfers

For the entire Fund Duration, the units may be transferred, on any legal basis, to other Participants or third parties, provided that:

- (a) the investor who intends to purchase the units (the “**Buyer**”) purchases Units for a total amount not less than EUR 500,000.00 (five hundred thousand) and qualifies as an Investor under these Rules;
- (b) the party intending to dispose of the Units (the “**Seller**”) notifies the AIFM of such intention by means of a notice, to be sent by registered letter with return receipt or certified e-mail and with at least 30 (thirty) days’ notice of the effective date of the transfer, containing a statement signed by the Buyer confirming, under its own responsibility, that it meets the requirement set forth in letter (a) above;
- (c) the Participants have the pre-emption right on Units of the same class subscribed by them which are sold, in proportion to the number of Units of the same class held by them, except to the extent the AIFM agrees with an Investor to exclude any types of transfer from this paragraph C.2.12.

The AIFM reserves the right to request any documents or certifications from the Seller and/or the Buyer in order to verify that the above requirements are satisfied. If the AIFM’s requests are not complied with, it may deny its consent to the transfer, which, where carried out between the parties, must be considered unenforceable.

C.3 Units and certificates of investment

All Units have equal nominal value and equal rights, except for those specific rights that the Rules associate with individual classes or the number of Units held. The nominal value of each Unit is EUR 10,000 (ten thousand). Units may not be split under any circumstances.

The Units will be entered by the Management Company into a centralized management system (Monte Titoli) in dematerialization form, pursuant to Articles 79-decies et seq. of the TUF; in such case, the exercise of the rights incorporated in the Units and the disposal of the same are made through the authorized intermediary with which the Units are deposited, in accordance with applicable procedure set forth in the TUF. In this case, each Unitholder will have to hold a whole number of Units.

C.4 Amendments to the Rules

For the implementation of amendments to the Rules required by law or regulations, as well as for any change in the name, registered office and other personal data of the AIFM (provided that it is not replaced), the change of the Custodian Bank and the Audit Firm, the change in the name of the Fund (not in the event of the AIFM replacement), as well as merely formal changes aimed at correcting typing or spelling mistakes, conflicts between individual provisions, or correcting ambiguous drafting (provided that such changes do not materially and adversely change the rights of the Investors), shall be permanently delegated to the any representative of the AIFM.

Amendments to the Rules other than those indicated above shall be approved with the Investors' Extraordinary Consent.

All amendments to the Rules shall be effective from the date established by the Board of Directors or by the resolution of the Investors' Meeting and shall be notified to Investors by the AIFM within thirty days of their adoption.

A copy of the Rules as amended shall be sent to Investors.

C.5 Liquidation of the Fund and final redemption of the Units

C.5.1 Liquidation of the Fund

The final liquidation of the Fund occurs upon the expiration of the Fund's duration, as may be extended under the Rules.

C.5.2 Case of early liquidation

In any case, the AIFM may, at any time, arrange for the early liquidation of the Fund with the Investors' Extraordinary Consent.

The AIFM must arrange for the early liquidation of the Fund if within the deadline specified by the Investors they do not adopt any solution to a Blocking Situation.

C.5.3 Liquidation resolution

The Board of Directors may resolve to liquidate the Fund (the "**Liquidation Resolution**").

C.5.4 Liquidation procedure

The Fund's liquidation shall be carried out as follows:

- (i) commencing from the date of the Liquidation Resolution, no further Investment Transactions are permitted;

- (ii) the AIFM shall notify each Investor of the commencement of the Fund's liquidation procedure and the date from which any further investment activities of the Fund cease;
- (iii) as from the day following the notice to the Investors referred to in point (ii) above, the AIFM liquidates the assets of the Fund in the interest of the Investors, realising the assets of the Fund under the best possible conditions, in accordance with a liquidation plan prepared by the AIFM and submitted to Banca d'Italia;
- (iv) once the realisation transactions have been completed, the AIFM shall draw up a final liquidation report, accompanied by a directors' report, in accordance with the criteria established for the disclosure of information to Investors as applicable, and specifying the cash distribution for each Unit;
- (v) the Audit Firm audits the accounts also in respect of the liquidation operations and certifies the final liquidation report referred to in (iv) above;
- (vi) the final liquidation report certified by the Audit Firm and the relevant directors' report, together with the indication of the day when the repayment operations commence, which is scheduled in compliance with the law, shall be notified to Investors and deposited at the AIFM and Custodian Bank's registered office;
- (vii) the Custodian Bank shall, on the instructions of the AIFM, redeem the Units to the extent provided for each Unit in the final liquidation report, upon receipt of the Investors' requests for redemption sent to it by the AIFM.

Participants holding the Units at the day when the redemption operations commence (as referred to in point (iv) above) have the right to receive the liquidation proceeds due to the redemption of the Units.

C.5.5 Deposit of uncollected sums

Any liquidation proceeds not collected by the Investors within ninety days of the start of redemption operations shall be deposited with the Custodian Bank in an account in the name of the AIFM linked to the payment of sums resulting from the liquidation of the Fund and if possible, with sub-items specifying the names of the persons entitled.

C.5.6 Notice of deposit

The AIFM notifies the person entitled to the redemption of the deposit of the sums with the Custodian Bank, which pays such sums to the person entitled in accordance with the AIFM' instructions communicated to it by the person entitled to the redemption.

C.5.7 Time barring

The rights incorporated in the certificates not submitted for redemption are time barred in favour of the other Investors, if not exercised within the statutory time limits, as from the day on which redemption operations begin under this Article 16.

C.5.8 Repayments

If the assets of the Fund are not sufficient to cover the liabilities (whether of a certain amount, accrued, subject to condition or otherwise) outstanding upon the liquidation, the AIFM shall require the Investors to finance those liabilities:

- (i) by making any residual Disbursements in respect of the Subscribed Amounts;
- (ii) in respect of the balance, returning to the Fund any amount distributed to them during the preceding two years from the date of the Liquidation Resolution, in reverse chronological order to that followed for distributions and up to a limit of 25% (twenty-five per cent) of all distributions received by the Investors.

C.6 Unit value of the Unit and its publication

The unit value of the Unit shall be calculated on a half-yearly basis by dividing the Total Net Asset Value of the Fund by the number of Units issued.

The unit value of the Unit shall be calculated and communicated to each Investor on a half-yearly basis within the same time frames as those on which the annual or half-yearly management report is to be made available to Investors.

C.7 Financial statements

The financial year ends on 31 December of each year. The first financial year begins on the date on which the Fund starts its operation.

The Fund's accounts shall be kept in accordance with the provisions of current laws and regulations.

In addition to the accounting records set forth for corporations by the Italian Civil Code, the AIFM or its duly appointed representative shall prepare:

- (a) the daily transaction book of the Fund, which records the daily operations relating to the Fund's management and operations of issuing and redeeming units, as well as any other operation relating to the Fund's management;
- (b) the Fund's annual report, within 60 (sixty) days of the end of each financial year or shorter period in which distribution of Income is made (interim report)
- (c) the Fund's half-yearly report, within sixty days of the end of the first six months of the financial year;
- (d) a schedule indicating the unit value of the units and the NAV, with a frequency at least equal to the issuance or redemption of the units.

The annual report of the Fund and the half-yearly report shall be published, within 30 (thirty) days from the date of their approval, on the website and shall be deposited and made available to participants for 30 (thirty) days from the date of its publication at the AIFM's registered office and at the office of the Custodian.

Upon specific written request, participants may obtain a copy of the aforementioned documentation from the AIFM.

C.8 Audit, certification and control of the AIFM's supervisory body

The accounting of the Fund is subject to audit in accordance with the specific regulations in force.

The audit firm shall audit the annual report of the Fund and express an opinion on the annual report and the Fund's Final Liquidation Report.

C.9 Notification to Participants and other disclosure requirements

Any communication or notice, which is required or permitted by these Rules, shall be made in writing and shall be considered to have been received: (i) if sent by registered mail with return receipt, certified electronic mail or courier service, when received; (ii) if sent by fax, when the receipt is confirmed to the sender by the transmission report; (iii) if delivered personally, when received by the person designated by the receiving party; (iv) if sent by e-mail, when the delivery of the e-mail is confirmed by the receiving party, including by automatic confirmation system, in any event provided that the notices are addressed as follows:

- (a) where addressed to the AIFM, at its registered office to the attention of its legal representative;
- (b) where addressed to the Investors, at the address for service specified in the subscription form or in the request of transfer of the Units, to the attention of the person specified therein, without prejudice to

the right of the Investors to designate new addresses and/or new representatives for the notices, notifying the AIFM thereof.

C.10 Applicable law

These Rules are governed by Italian law.

C.11 Jurisdiction

All disputes arising out of or in relation to these Rules shall be finally settled in accordance with the rules of the Milan National and International Chamber of Arbitration. The arbitral tribunal shall be composed, regardless of the number of parties, of three arbitrators appointed by the Chamber of Arbitration. The arbitration takes place in Milan and shall be conducted in Italian. The Arbitral Panel shall act in accordance with the relevant provisions of the Italian Civil Procedure Code ("*in via rituale*") and decide in accordance with Italian law. The costs of the arbitration shall be borne by the parties as determined by the Arbitral Panel. Without prejudice to the provisions therein, any dispute that may not be settled by the Arbitral Panel shall be submitted to the exclusive jurisdiction of the Court of Milan.