

ORDER EXECUTION AND TRANSMISSION POLICY

Introduction

The scope of this document is to provide information relating to the order execution and transmission policy of Mediobanca - Banca di Credito Finanziario S.p.A. ("Mediobanca").

Objective and purpose

The EC Directive 2004/39/CE relating to the financial instruments markets and the related implementation provision (all together "MiFID"), which have been in force in Italy since the 1st November 2007, also sets out the intermediary's obligation to adopt all necessary steps to obtain the best possible results (so called "*Best Execution*") for their clients when carrying out services relating to reception and transmission of order or execution of orders on behalf of the client.

Taking the above into consideration, Mediobanca has laid down and adopted a order execution and transmission policy, which is summarised in this document, in order to comply with the obligations set out by MiFID in relation to the briefing to be given to clients about this aspect.

Recipients

The order execution and transmission policy applies to all clients of Mediobanca. For this purpose, please note that Mediobanca's policy does not include investment services for *retail clients*, except for the carrying out of the following investment services and activities:

- subscription and/or placement with firm commitment underwriting or standby commitments to issuers;
- placement without firm commitment underwriting or standby commitments to issuers.

Therefore, this document is drawn up specifically for the *professional clients'* category as defined by MiFID.

Prior Consent

The prior consent requested by MiFID for to the execution of orders contained in this document, is deemed to be given through the first order made by the client after the 1st November 2007. In any case, through this operative modality, the client takes note of and provides its prior consent to all the contents of this document.

Execution factors and criteria

The main factors taken into consideration by Mediobanca to define its order execution and transmission policy are: the total cost of the transaction, which includes the price of the financial instrument and the cost of the execution carried out by the client; the market liquidity; the size and nature of the order; the likelihood and speed of execution; the likelihood of settlement.

However, when necessary, Mediobanca may determine that other execution factors may prevail over those listed above, depending on particular circumstances and/or specific matters relating to the client, the order, the financial instrument and/or the execution venue.

The relevance of the abovementioned factors is considered on the basis of the following execution criteria:

- the characteristics of the client;
- the characteristics of the order;
- the characteristics of the financial instruments;
- the characteristics of the execution venues.

Execution of orders and execution venues

On the basis of the abovementioned factors and criteria, Mediobanca has defined its own order execution policy which, for each category of financial instrument that is dealt with in various concurrent Execution venues, enables it to obtain the best possible result for the execution of clients' orders. For those categories of financial instruments which are dealt with on one Execution venue only, Mediobanca will presume to have obtained the best possible result for the client.

With regards to the Italian stock financial instruments listed on regulated markets organised and managed by Borsa Italiana S.p.A., Mediobanca will carry out the execution by immediately sending the order to such execution venues, to which it adheres.

With regards to the Italian and foreign bonds or other debt financial instruments listed on regulated markets organised and managed by Borsa Italiana S.p.A. (MOT and EUROMOT), Mediobanca will carry out the execution by immediately sending the order to such Execution venues, to which it adheres, unless the client explicitly requests to execute the order with Mediobanca acting on its own behalf as market counterpart. In the event that the size and/or the typology of the order is not executable in an efficient manner on such markets, the client will be notified and the order will be executed with Mediobanca acting on its own behalf as market counterpart. In this case, the explicit consent of the client will be requested and obtained in advance.

With regards to the financial derivatives listed on IDEM, a regulated market organised and managed by Borsa Italiana S.p.A., Mediobanca will carry out the execution by immediately sending the order to such Execution venues, to which it adheres.

With regards to the financial instruments not listed on any regulated market, Mediobanca will carry out the execution on its own behalf as market counterpart.

Reception and transmission of orders

When carrying out the service of reception and transmission of orders, Mediobanca will select the brokers within primary counterparts and in compliance with the principles laid down in this document, including the factors and criteria mentioned above. In particular, the selection of brokers is based on the constant valuation of the intermediary's ability to offer efficiency and quality in the execution as to obtain the best result possible for the client.

Mediobanca, in light of such criteria, principally selects a single intermediary to operate on stock financial instruments listed on foreign regulated markets, and a single intermediary to operate on financial derivatives quoted on foreign regulated markets.

It is also permitted, as an alternative and not as a systematic option, to transmit orders to be executed to other intermediaries and negotiators from those identified on the basis of the selection criteria described in this document. In the activity of reception and transmission of orders, the modalities of negotiation agreed upon with the brokers provide that, as a general rule and on a systematic basis, the order is executed by the broker on the market where the issuer is located. However, if the financial instrument is not admitted to the negotiation on such market, the client's order will be executed by the broker on the most liquid regulated market.

With regards to the financial instruments admitted to the negotiation on various regulated markets, the client's order is executed by the broker selected on the market where the issuer is resident. However, if the financial instrument is not admitted to the negotiation on such market, the client's order will be executed by the broker on the most liquid regulated market.

Management of orders

Mediobanca ensures a speedy, accurate and efficient execution of the client's orders, both with regards to the order of other clients and with regards to Mediobanca's negotiation interests. The clients' orders are duly and accurately registered and assigned.

Furthermore, the clients' orders are executed promptly and in succession, unless their characteristic or market conditions renders this impossible or the clients' interests require proceeding in a different manner. In particular, the management of the clients' orders is carried out in compliance with the principles of MiFID, with the sector's regulation and according to the best standard allowed by the practice.

Mediobanca does not in any case proceed with the aggregation of orders received by clients, nor with orders of other clients, nor with orders of its own.

Specific client instructions

In any case, if the client gives any specific instructions, Mediobanca will execute the order directly, or it will transmit the order to an intermediary entrusted with the negotiation, in accordance with the those specific instructions, even by making exceptions to the measures provided by its own order execution and transmission policy and to the principles of this document.

If the specific instructions only refer to a part of the order, Mediobanca will continue to apply the principles of this document to those aspects of the order not covered by the instructions of the clients.

Monitoring, periodic revision and extraordinary revision of the order execution and transmission policy

Mediobanca continuously monitors the efficiency of its own order execution and transmission policy.

Mediobanca will re-examine the order execution and transmission policy at least once a year and also on the occurrence of a material change that may affect the ability to continuously obtain the best possible result for the execution or transmission of the clients' orders.

Mediobanca will notify the clients of any material amendment made to the adopted order execution and transmission policy, by updating this document.