

CUSTOMER MANAGEMENT
Customer Relations Department

To all Clients

Their seats

Milan, 04495.21.10.09.MT

Subject: DVP cross-border settlement service

Dear Customer,

By means of this letter, we are pleased to communicate the new features of the DVP cross-border settlement service, effective starting from 9 November 2009 this year:

- I. All participants in the X-TRM Service may avail of the DVP cross-border settlement service, including indirect participants in the Settlement Services (Express II), through their settlement agent in Italy who is required to give its consent through the acceptance form available on Monte Titoli's web site. The introduction of the acceptance form, instead of a power of attorney from users of the X-TRM Service to the respective settlements agents, has led to updates of the contractual General Conditions – Part II, (sections 1.2 sub 3, and 2.6.) and to the cancellation of par. 5.4.
- II. DVP cross-border settlement instructions must be entered into the X-TRM Service. Paper based instructions will no longer be accepted, except in exceptional circumstances of contingency declared by Monte Titoli, and only at condition the same instructions are formatted according to the standard form enclosed to the Service Guide.
- III. With the aim of supporting clients in making the cash that is needed to fulfill their settlement obligations available, Monte Titoli will book their cash accounts (or the account of their settlement agents) in T2S via an RTGS settlement. This means that Monte Titoli will automatically debit the T2 account of those clients buying securities from a counterpart in the foreign system. In the same way, the cash received from the counterpart in the system abroad, will be automatically transferred to the T2 account of the seller of securities. The caps made available in Express II by the cash settlement agents to their clients will be up-dated accordingly.

- IV. The cash bookings, as explained sub III above, will be debited the unit fee as provided for by the Price list for services rendered to Intermediaries in force. The DVP cross-border settlement price has been up-dated accordingly.
- V. As defined in par. 3.5 of the Service Guide, Monte Titoli will not pay over-night interests on those amounts that cannot be transferred to the participant within the close of business on settlement date, unless Monte Titoli is found to be liable
- VI. US securities will be eligible in the Service, provided the counter-value of the settlement transactions is denominated in Euro

All documents are available on the web site: www.montetitoli.it, under the “documentation” section.

Please contact our Customer Relations Department to the phone number 02.33635 640 or to the e-mail address customersrelations@montetitoli.it should you need any additional information..

Kind regards

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