1. DETAILS CONCERNING THE FONDAPI PENSIONS FUND

a) Founder members - FONDAPI was set up after the agreement signed on 20 January 1998 by founder members UNIONMECCANICA, UNIONALIMENTARI, UNIONCHIMICA, UNIONTESSILE, UNIGEC, and FIOM-FIM-UIML, FLAI-FAT-UILA, FILCEA-FLERICA-UILCER, FILTA-FILTEA-UILTA, SLC-FISTeL-UILSIC.

b) Date of creation and duration - FONDAPI was set up, upon the initiative of the constituent parties, on 2 April 1998, and no expiry is envisaged.

c) Who the Fund is intended for - Anyone may choose to take part in FONDAPI, including:
   - all employees who are not on probation and whose contracts are covered by the collective bargaining agreements taken out with the aforementioned founder members;
   - employees of the trades unions listed above as founder members;
   - employees of employers’ associations listed above as founder members, and their staff at local and nationwide level.

d) Judicial status - FONDAPI was founded as an Association, and has been recognised pursuant to Section 12 of the Italian Civil Code, the provisions of Legislative Decree N° 124 dated 21 April 1993, and has been registered as a Corporation by Rome Prefecture.

e) Purpose of the Scheme - FONDAPI was set up to guarantee members pension payments in addition to the State pension, and is a non-profit organisation.

f) How the scheme works - FONDAPI runs on an individual capital redemption system, into which pre-defined contributions are paid.

g) Shareholders - FONDAPI is run by elected joint bodies, i.e.: the Assembly General, the Board of Directors, the Executive Board, and the Audit Committee.

   The Assembly-General is made up of 60 people, half of whom are elected as representatives of Companies, and the other half of employees.

   When 100,000 members have signed up, the number of delegates to the following Assembly-General shall become 80 (40 + 40), after all members have been notified. The election of representatives of workers is on the basis of registers presented by the trades unions who are founder members or who have taken out agreements with FONDAPI, at least 5% of whose workers are from no less than 50 companies in at least 6 regions. The election of company representatives is on the basis of registers presented by Employers’ Organisations who are founder members of FONDAPI.

   The first Assembly-General of FONDAPI was held on 25 October 2000, and elected:
   - the Board of Directors, made up of 14 members, 7 of whom represented workers, the other 7 representing companies;
   - the Board of Auditors, made up of 4 full-time members and 2 supernumerary ones, jointly representing both workers and companies.
2. TYPES OF SERVICES OFFERED

   a) How pensions are determined - The pension to be paid to members is decided according to the monies paid in and the profits made from investments. When a member meets the conditions laid down in the Statutes, he may apply to receive a supplementary pension, and continues to be a member.

   b) Entitlement to services (supplementary pensions)
      - old-age pension: entitlement to an old-age pension falls due when a member reaches the statutory pension age, provided that the member has been paying in to FONDAPI for at least five years.
      - length-of-service pension: entitlement to a length-of-service pension comes about only when a member ceases working, provided that his age is no more than ten years below the statutory retirement age for state pensions, and has been making payments in to the FONDAPI scheme for at least fifteen years.

   Entitlement to this service only becomes available when a member retires from work. The aforementioned services are also offered to members who transfer from another pension scheme or other types of retirement pensions, and their periods of payment into those pensions are considered for the purposes of their FONDAPI pension.

   c) Survivors’ pensions - In the event of a member dying before he reaches pension age, any pension he would have been entitled to is paid to his surviving spouse, or any children, or to any dependent parents. In the event of there being no survivors, the member’s last wishes are followed; if there are none of these, all monies are inherited by FONDAPI.

   d) Payments - FONDAPI will make payments via agreements it has undertaken with Insurance Companies.

   Members entitled to any of the above FONDAPI pensions may decide to receive their pension in a lump sum, which shall not exceed 50% of the total pension owed. If the annual pension to be paid to a member is less than the minimum state pension as per Section 3, Sub-sections 6 and 7, Law N° 335, dated 8 August 1995, the member may decide to receive the whole amount due in a lump sum.

   Any member may apply to the Fund for a survivors’ pension to be paid to a person nominated, under the conditions contained in agreements undertaken with Insurance Companies.

   e) Advances - Eight years after joining the scheme, a member may apply for an advance on contributions already paid in to be made, provided this is to be used either for any health or clinical costs, recognised as special by the local health authority or the purchase of the member’s home or his children’s home (documentary evidence signed in the presence of a Notary Public must be provided to show this) or for building work on the same, pursuant to Law N° 547, 1, (a), (b), (c), and (d), dated 5 August 1978, for a first home pursuant to Section 1, 3, of Law N° 449, dated 27 December 1997, with an opportunity to top up the pension according to the procedures laid down by the Fund itself.

   No other advances may be made than the ones specified in Section 10, 1, (c) of Legislative Decree N° 124, dated 21/4/1993.

   For the purposes of determining length of service necessary for a member wishing to avail himself of the faculties listed in this paragraph, all periods of membership in supplementary pension schemes wherein the member has reached maturity and not applied for advances shall be considered.

   It must be pointed out that 100% capital pension entitlement is available in the following cases:
   - a member (newly joined) has an overall capital at his disposal which, when converted into revenue, would provide a supplementary pension lower than the minimum state pension;
   - is a so-called “old” member.

3. PENSION TRANSFER AND WITHDRAWAL

   a) Transfer
   1. If a member no longer qualifies for participation in the FONDAPI pension scheme, he may apply for his accrued pension contributions and interests to be transferred to another pension scheme. Transfer to a new scheme may be made upon loss of membership requirements.

   Within six months of application, FONDAPI will transfer a member’s accrued payments to the new scheme.

   2. When all FONDAPI membership criteria have been met, a member may apply for transfer to another pension scheme, provided the following conditions have been met:
      a) FONDAPI has been running for at least five years and that, after this time, the member has made at least three years’ regular payments to FONDAPI;
      b) FONDAPI will transfer a member’s accrued payments to the new scheme.

   b) Withdrawal - A member who has lost entitlement, and who in the meantime has not made sufficient contributions for a pension, may withdraw. Payment of monies due will be made within six months of application.

   Individual members may decide to keep their contributions at FONDAPI, even if they do not pay any more, with a view to availing themselves, at a later date, of one of the two options above at a) or b).

4. AMOUNT OF CONTRIBUTIONS AND MEMBERSHIP FEES

   Contributions - Contributions to FONDAPI were agreed in the National Collective Bargaining and other Agreements listed above, and include amounts for payment by the employer and by the employee, and likewise any end-of-service payments (known as “Trattamento di Fine Rapporto” or “TFR” in Italian) which fall due during the year.

   In addition to the specifications of the paragraph above, members may also make voluntary payments according to other operating procedures decided by the Board of Directors.
**Cessation of contributions.** The aforementioned contributions (and all requirements to pay them) shall cease upon:
- transfer of, or withdrawal from, the scheme;
- retirement;
- receipt of a pension.

Please see below the list of FONDAPI contributions, broken down by sector, as covered by contract law and current agreements.

### 4.1 ENGINEERING INDUSTRY

**Amount of contributions**
The table below gives, for each type of contribution, amounts for contributions and the basic pension upon which these amounts have been calculated (National Collective Bargaining Agreement of 7 July 1999, between UNIONMECCANICA and FIM-FIOM-UILM).

<table>
<thead>
<tr>
<th>Employer's contributions</th>
<th>Employee's contributions</th>
<th>end-of-service payments (&quot;TFR&quot;)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount of contribution</td>
<td>1.20 %</td>
<td>1.20 %</td>
</tr>
</tbody>
</table>

- **Basic Wage**
  - FONDAPI wage
  - End-of-service payment ("TFR")

N.B.: - FONDAPI remuneration = the sum of minimum payments with which a contingency has been combined + remuneration per category + management-level indemnity and remuneration element for 8th and 9th contract category;
- end-of-service remuneration = remuneration used when calculating end-of-service payment ("TFR").

**Amount of contributions for members in their first job**
Subject to the amount of contributions to be made by the employer, as shown in the table, members who have begun their first job after 28 April 1993 shall be entitled to receive 100% of their end-of-service payments ("TFR"), as they mature on a year-to-year basis.

### 4.2 CHEMICAL AND ALLIED TRADES, PLASTICS AND RUBBER

**Amount of contributions**
The table below gives, for each type of contribution, amounts for contributions and the basic pension upon which these amounts have been calculated (National Collective Bargaining Agreement of 4 April 1996, between UNIONCHIMICA and FILCEA-FLERICA-UILCEM).

<table>
<thead>
<tr>
<th>Employer's contributions</th>
<th>Employee's contributions</th>
<th>end-of-service payment (&quot;TFR&quot;)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount of contributions</td>
<td>1.06 %</td>
<td>1.06 %</td>
</tr>
</tbody>
</table>

- **Basic Wage**
  - End-of-service payment ("TFR")
  - End-of-service payment ("TFR")
  - End-of-service payment ("TFR")

N.B.: - end-of-service remuneration = remuneration used when calculating end-of-service payment ("TFR").

### 4.3 TEXTILES AND CLOTHING SECTOR, FOOTWEAR, LEATHER AND SUBSTITUTES, SPECTACLES, TOYS, PENS, AND BRUSHES

**Amount of contributions**
The table below gives, for each type of contribution, amounts for contributions and the basic pension upon which these amounts have been calculated (National Collective Bargaining Agreement of 22 September 1997, between UNIONTESSILE and FILTA-FILTEA-UILTA).

<table>
<thead>
<tr>
<th>Employer's contributions</th>
<th>Employee's contributions</th>
<th>end-of-service payment (&quot;TFR&quot;)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount of contributions</td>
<td>1.00 %</td>
<td>1.00 %</td>
</tr>
</tbody>
</table>

- **Basic Wage**
  - National pension scale
  - National pension scale
  - National pension scale

N.B.: - national pension scale = basic pay + contingency + special remuneration element.

**Amount of contributions for members in their first job**
Subject to the amount of contributions to be made by the employer, as shown in the table, members who have begun their first job after 28 April 1993 shall be entitled to receive 100% of their end-of-service payments ("TFR"), as they mature on a year-to-year basis.
4.4 PAPER AND CARDBOARD SECTOR, GRAPHICS, PUBLISHING, AND ALLIED TRADES

**Amount of contributions**
The table below gives, for each type of contribution, amounts for contributions and the basic pension upon which these amounts have been calculated (National Collective Bargaining Agreements of seven October 1993 and 13 March 1996, between UNIGEC, SLC-FISTeL-UILSIC).

<table>
<thead>
<tr>
<th>Employer’s contributions</th>
<th>Employee’s contributions</th>
<th>end-of-service payment (“TFR”)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic Wage</td>
<td>End-of-service payment (“TFR”)</td>
<td>End-of-service payment (“TFR”)</td>
</tr>
<tr>
<td>Amount of contributions</td>
<td>1.00 %</td>
<td>1.00 %</td>
</tr>
</tbody>
</table>

N.B.: - end-of-service remuneration = remuneration used when calculating end-of-service payment (“TFR”).

**Amount of contributions for members in their first job**
Subject to the amount of contributions to be made by the employer, as shown in the table, members who have begun their first job after 28 April 1993 shall be entitled to receive 100% of their end-of-service payments (“TFR”), as they mature on a year-to-year basis.

4.5 FOOD INDUSTRY

**Amount of contributions**
The table below gives, for each type of contribution, amounts for contributions and the basic pension upon which these amounts have been calculated (National Collective Bargaining Agreement of 9 February 1996, between UNIONALIMENTARI and FLAI-FAT-UILA).

<table>
<thead>
<tr>
<th>Employer’s contributions</th>
<th>Employee’s contributions</th>
<th>end-of-service payment (“TFR”)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic Wage</td>
<td>End-of-service payment (“TFR”)</td>
<td>End-of-service payment (“TFR”)</td>
</tr>
<tr>
<td>Amount of contributions</td>
<td>1.00 %</td>
<td>1.00 %</td>
</tr>
</tbody>
</table>

N.B.: - end-of-service remuneration = remuneration used when calculating end-of-service payment (“TFR”).
- employer’s and employee's contributions must still be paid, even if the employee is absent from work for purely health reasons during the period in question, or after an accident, or while on maternity leave.

**Amount of contributions for members in their first job**
Subject to the amount of contributions to be made by the employer, as shown in the table, members who have begun their first job after 28 April 1993 shall be entitled to receive 100% of their end-of-service payments (“TFR”), as they mature on a year-to-year basis.

5. VOLUNTARY ADDITIONAL PAYMENTS BY THE EMPLOYEE – Members may decide to make payments into the scheme in addition to any contractual requirements.

6. MEMBERSHIP FEES – when a member signs up to join the scheme, he shall be required to pay a fixed fee, which shall be 11.36 euros during the first four years, and may be broken down as follows:

<table>
<thead>
<tr>
<th>INDUSTRY</th>
<th>EMPLOYER</th>
<th>EMPLOYEE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engineering</td>
<td>6.20 euros</td>
<td>5.16 euros</td>
<td>11.36 euros</td>
</tr>
<tr>
<td>Food</td>
<td>5.68 euros</td>
<td>5.68 euros</td>
<td>11.36 euros</td>
</tr>
<tr>
<td>Chemical/allied trades, plastics, rubber</td>
<td>7.75 euros</td>
<td>3.61 euros</td>
<td>11.36 euros</td>
</tr>
<tr>
<td>Textiles/clothing; footwear; leather/substitutes; spectacles, toys, pens, brushes</td>
<td>5.68 euros</td>
<td>5.68 euros</td>
<td>11.36 euros</td>
</tr>
<tr>
<td>Paper/cardboard; graphics/publishing and allied trades</td>
<td>5.68 euros</td>
<td>5.68 euros</td>
<td>11.36 euros</td>
</tr>
</tbody>
</table>

7. TAXATION
a) Contributions – Overall annual contributions paid in to FONDAP I (by employees and employers), except for end-of-service fractions, may be tax-deducted up to a maximum of 12% of a member’s total earnings, and for a total of not more than 5,168.57 euros.

For an employee’s salary, and taking into consideration the limits stated above, overall deductions may not be more than twice the total end-of-service fraction paid in to the Scheme.
Should a worker pay more into the scheme than the above-mentioned levels, no excess may be tax deducted; however, when a pension is paid out, consideration shall be made of the tax-deductibility of these payments. To this end, members must inform the Fund of any contributions made and not tax deducted, by 30 September of the year after they were paid in.

Up to 31/12/2005, "old members" (i.e. those who, on 28 April 1993, were members of supplementary pension schemes set up before 15 November 1992), notwithstanding the limit of 12% on overall earnings, may deduct from their earnings the difference between the 5,164.57 euros and the amount of payments effectively made to a pension fund in 1999. Nor shall these members fall under the end-of-service proviso.

b) Management results - return on capital and shares from management of FONDAPI funds was taxed at 11% RTSO ("Relevant Tax on Share Options") for each tax year.

c) Services - contributions to supplementary capital redemption schemes (pensions and lump sums) and end-of-service payments are taxed on a sliding scale, net of any return on equity made and, where applicable, non-deductible contributions.

They are also taxed before any payments in excess of 12.5% of total earnings. Lump sum payments made in lieu of a pension are taxed separately, and the amount is calculated by the Pension Fund itself. If the lump sum to be paid amounts to more than one third of a member's total contributions, tax is applied to the sum, before any non-deductible contributions.

If the lump sum to be paid amounts to less than one third of a member's total contributions, tax is applied to the sum, before any profits which have already been taxed and any contributions in excess of the set limits. The same method for calculating base rates is applied, even when the lump sum amounts to more than one third of total contributions, when the following conditions are met:

- a member has applied for all the pension to be paid out in a lump sum and two thirds of his total annual pension payments before 01/01/2001 are less than half the minimum state pension.

Taxation of lump sum payments as listed above will, however, be of a provisory nature: the first part of Section 20 (1) of Consolidated Tax Law specifies that tax office can pay a rebate according to average annual tax payments made by the taxpayer over the five years prior to his entitlement to the service provided.

d) Advances - advances are taxed separately. Monies taxed shall include any earnings due to gross profits owing to investments made by the Fund (whereas any contributions not tax-deducted shall be excluded). When a member's final position has been estimated, any advances already made are subtracted, and the new position calculated.

e) Redeeming annuities when a member loses membership entitlement of the scheme - annuities redeemed when a member loses the requirements necessary for being a member, and not because he receives a pension, or has been laid off, or for some other reason which does not depend upon his or his employer's desire to work, are taxed on a sliding scale. In this case, too, any profits earned from investments and any contributions paid in excess of the statutory limits shall be tax exempt.

In the cases listed below, the redeeming of annuities shall not entail higher (sliding-scale) taxation, but, pursuant to Section 20, (1), Tax Law, shall entail separate taxation, i.e. the same criteria are applied as to the end-of-service payment ("TFR"):-- annuities are redeemed when a member stops work due to a lay-off, or some other cause which does not depend upon his or his employer's desire to work (e.g. company closure, transfer, reaching pensionable age...);
-- annuities redeemed by a member's relatives because of the death of the member.

8. EXPENDITURE

In order to run properly, the Fund must bear the costs of administration, of managing its investments, and of the service charges payable to its Banks.

To give an example, the administration costs borne by the Fund include the following:
- offices, management, and related costs;
- activities carried out by statutory bodies;
- administration costs for FONDAPI and individual pensions;
- backup for the decision-making process involving FONDAPI in administration and resource management; advertising;
- legal costs.

For activities of holding, administering, and controlling the Fund's custodian bank, an all-inclusive annual commission of 0.0240% is charged to the account.

To pay administration costs, FONDAPI mostly uses a part of the payments known as "membership fees" set on a year-to-year basis by the Assembly General.

Membership fees amount to an annual total of 20.66 euros per year, 10.33 euros of which are paid by the member, and 10.33 euros by his company.

Amounts to be set aside for investment are taken directly out of FONDAPI capital resources.

Commissions to be paid to special trust funds will be made known when FONDAPI has stipulated the relative contracts for these.

9. HOW RESOURCES ARE USED
Money management - monies managed by FONDAPAI are mainly handled by special trust funds with whom special agreements are made (banks, insurance companies, property developers, unit trusts) under the terms of current law. Trust funds are chosen by the Board of Directors from a list of offers.

For the first three years, only one type of investment shall be provided for, and all members shall receive only one type of yield.

The Board of Directors may then decide, after making the necessary modifications to the Statute, whether or not to make more than one type of investment.

If it is decided that investments are to be in many sectors, members shall be fully and adequately informed thereof to allow them to choose between the various profiles proposed by the various trust funds.

Funds have been deposited at a custodian bank, chosen by the Board of Directors after selecting from among the various offers made; this custodian bank is the UniCredit Banca.

10. MANAGEMENT RESULTS

Capital and money, 2003 (Values given in euros)

<table>
<thead>
<tr>
<th>Main items on accounts sheet</th>
<th>31/12/2003</th>
<th>31/12/2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets at start of year</td>
<td>31,613,254</td>
<td>6,371,821</td>
</tr>
<tr>
<td>Contributions paid in during year (*)</td>
<td>25,608,218</td>
<td>25,213,467</td>
</tr>
<tr>
<td>Outgoings for advances, withdrawals, and transfers</td>
<td>-2,686,700</td>
<td>-598,560</td>
</tr>
<tr>
<td>Return on equity</td>
<td>972,162</td>
<td>647,719</td>
</tr>
<tr>
<td>Financial management expenditure</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Contributions destined to cover administrative costs (**)</td>
<td>396,852</td>
<td>294,546</td>
</tr>
<tr>
<td>Other charges and proceeds</td>
<td>-6,623</td>
<td>9,496</td>
</tr>
<tr>
<td>Administration expenditure</td>
<td>-388,229</td>
<td>-304,042</td>
</tr>
<tr>
<td>Pre-tax asset variation, 2003</td>
<td>23,893,680</td>
<td>25,262,626</td>
</tr>
<tr>
<td>RTSO</td>
<td>-59,441</td>
<td>-21,193</td>
</tr>
<tr>
<td>Asset variation, 2003, after taxation</td>
<td>23,834,239</td>
<td>25,241,433</td>
</tr>
<tr>
<td>Total assets at end of year</td>
<td>55,447,493</td>
<td>31,613,254</td>
</tr>
</tbody>
</table>

(*) Not including contributions (5,288,154 euros) for the last two months of 2003, which were paid during January 2004.

(**) Minus 464,672 in membership fees, put off to cover development advertising costs for following year.

Share values increased by 2.15%.

Total net profits, as at 31/12/2003, were 55,447,493 euros, which may be broken down into 5,252,124.364 shares, for 24,289 members.

Administration costs for 2003 were 388,229 euros, or 0.70% of total net assets as at 31/12/2003. The average annual cost per member of these expenses was 15.98 euros.

<table>
<thead>
<tr>
<th>Proportion of costs as part of assets</th>
<th>SINGLE sector</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31/12/ 2003</td>
</tr>
<tr>
<td>Financial management</td>
<td>0</td>
</tr>
<tr>
<td>Custodian bank</td>
<td>0</td>
</tr>
<tr>
<td>Administrative management</td>
<td>388,229</td>
</tr>
</tbody>
</table>

It must be remembered that returns for 2003 are not representative of what it will be possible to reach in the future, as they very much depend on finance market trends.

The translation of this document is for information purposes only