

## IMPORTANT NOTICE

**You must read the following disclaimer before continuing.** The following applies to the English translation of the trading admission document prepared in the Italian language following this notice (the “**Trading Admission Document**”), and you are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the Trading Admission Document. In accessing the Trading Admission Document, you agree to be bound by the following terms and conditions, including any modifications to them anytime you receive any information from us as a result of such access.

The Trading Admission Document has been prepared in connection with the offering the ordinary shares and attached warrants (the “**Offer Securities**”) described therein. The Trading Admission Document and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other person.

**The Trading Admission Document may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever, and in particular, is not for distribution in the United States. Any forwarding, distribution or reproduction of the Trading Admission Document, in whole or in part, is unauthorized. Failure to comply with this directive may result in a violation of the U.S. Securities Act of 1933, as amended (the “Securities Act”) or the applicable laws of other jurisdictions. If you have gained access to this transmission contrary to any of the foregoing restrictions, you are not authorized and will not be able to purchase any of the Offer Securities.**

**Nothing in this electronic transmission constitutes an offer of securities for sale in the United States or any other jurisdiction where it is unlawful to do so. The Offer Securities have not been, and will not be, registered under the Securities Act or the securities laws of any state of the United States, and the Offer Securities may not be offered or sold, directly or indirectly, within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state of the United States or other securities laws.**

**Confirmation of your representation.** In order to be eligible to view the Trading Admission Document or make an investment decision with respect to the Offer Securities described therein, you must be purchasing the Offer Securities in an offshore transaction outside of the United States in reliance on Regulation S. By accepting this electronic transmission and accessing the Trading Admission Document, you shall be deemed to have represented to the Joint Global Coordinators and Spaxs S.p.A. (the “**Company**”) that you consent to delivery of such Trading Admission Document by electronic transmission; and:

- (i) you and any customers you represent are outside the United States; and
- (ii) the e-mail address that you gave us and to which this Trading Admission Document has been delivered is not located in the United States, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any state of the United States or the District of Columbia.

You may not transmit the Trading Admission Document (or any copy of it or part thereof) or disclose, whether orally or in writing, any of its contents to any other person except with the explicit consent of the Joint Global Coordinators (as defined in the attached Trading Admission Document). If you receive this document by e-mail, you should not reply by e-mail to such email communication. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected. If you receive this document by electronic transmission, your use of such means is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

You are reminded that the Trading Admission Document has been delivered to you on the basis that you are a person into whose possession the Trading Admission Document may be lawfully delivered in accordance with the laws of jurisdiction in which you are located and you may not, nor are you authorized to, deliver the Trading Admission Document to any other person.

**Under no circumstances shall the Trading Admission Document constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of Offer Securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful.** The Trading Admission Document has not been approved by an authorized person in the United Kingdom and is for distribution only to persons who (i) have professional experience in matters relating to investments (being investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "**Financial Promotion Order**")), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc.") of the Financial Promotion Order, (iii) are outside the United Kingdom or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any Offer Securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This Trading Admission Document is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Trading Admission Document relates is available only to relevant persons and will be engaged in only with relevant persons. No part of this Trading Admission Document should be published, reproduced, distributed or otherwise made available in whole or in part to any other person.

No person may communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000) received by it in connection with the issue or sale of the Offer Securities other than in circumstances in which Section 21(1) of the Financial Services and Markets Act 2000 does not apply to us.

This document and the offer described therein when made are only addressed to and directed at persons in member states of the European Economic Area who are "qualified investors" within the meaning of Article 2(1)(e) of the Prospectus Directive (Directive 2003/71/EC and amendments thereto, including Directive 2010/73/EU, to the extent implemented in the relevant Member State of the European Economic Area) and any implementing measure in each relevant Member State of the European Economic Area ("**Qualified Investors**"). In addition, in Italy, this document is being distributed only to, and is directed only at, qualified investors as defined in Article 34-ter, paragraph 1, letter b) of Consob Regulation No. 11971 of May 14, 1999, as amended (the "**Issuers' Regulation**") implementing Article 100 of the Legislative Decree of February 24, 1998, No. 58, as amended (the "**TUF**") provided that such qualified investors will act in their own account and not as depositaries or nominees for other shareholders or third parties ("**Italian Qualified Investors**").

This document must not be acted on or relied on (i) by purchasers other than those purchasing the Offer Securities in an offshore transaction outside of the United States in reliance on Regulation S; (ii) in Italy, by persons who are not Italian Qualified Investors, (iii) in the United Kingdom, by persons who are not relevant persons, and (vi) in any member state of the European Economic Area other than the United Kingdom and Italy, by persons who are not Qualified Investors. Any investment or investment activity to which this document relates is available only to (i) purchasers of the Offer Securities in an offshore transaction outside of the United States in reliance on Regulation S, (ii) in Italy, Italian Qualified Investors, (iii) in the United Kingdom by persons who are not relevant persons, and (iv) in any member state of the European Economic Area other than Italy and the United Kingdom, Qualified Investors, and will be engaged in only with such persons.

The Trading Admission Document has been sent to you in an electronic form. You are reminded that documents transmitted through this medium may be altered or changed during the process of electronic transmission, and consequently, none of the Joint Global Coordinators, any person who controls any of the Joint Global Coordinators, the Company or any of its subsidiaries, nor any director, officer, employee, agent or affiliate of any of the foregoing entities and persons, accepts any liability or responsibility whatsoever in respect of any difference between the Trading Admission Document distributed to you in electronic format and the hard copy version. A hard copy of the document will be made available to you only upon request.

STRICTLY PRIVATE & CONFIDENTIAL  
**THIS IS NOT A PROSPECTUS OR AN OFFERING CIRCULAR**

**JANUARY 2018**

This document contains, *inter alia*, an unofficial sworn translation in English (the **“Translation”**) of the trading admission document prepared in the Italian language (the **“Trading Admission Document”**) for the purposes of the Offer (the **“Offer”**) of up to no. 60,000,000 ordinary shares (the **“Ordinary Shares”**) and no. 1 conditional share right attached per every no. 10 Ordinary Shares of Spaxs S.p.A. (the **“Company”**). The Trading Admission Document (a copy of which accompanies this document) contains information about the Company and the Offer.

This document is strictly private and confidential and shall not be distributed or reproduced in whole or in part or disclosed by recipients to any other person.

The information contained herein relates to the Offer of up to no. 60,000,000 Ordinary Shares and no. 1 conditional share right attached per every no. 10 Ordinary Shares of the Company, a joint stock company established in the Republic of Italy, to (i) Italian qualified investors as defined in Articles 100 of legislative decree no. 58 of 24 February 1998 (the **“Italian Financial Act”**) and Article 34-*ter*, first comma, letter b) of Regulation 11971, and to institutional investors outside of the United States pursuant to Regulation S under the U.S. Securities Act of 1933, as amended (except for Australia, Canada and Japan) and (ii) investors other than as set forth in (i) above, provided, however, that the inapplicability of the provisions relating to public offers set forth in Article 100 of the Italian Financial Act and Article 34-*ter* of the Regulation 11971 shall be ensured).

Prior to the Offer, there has been no public market for the Ordinary Shares. Borsa Italiana S.p.A. (the Italian Stock Exchange Authority), with ruling of 30 January 2018 admitted the Ordinary Shares to the multilateral trading facility AIM Italy (**“AIM”**), managed and organized by Borsa Italiana S.p.A.

**FOR A DISCUSSION OF CERTAIN RISK FACTORS THAT SHOULD BE CONSIDERED IN CONNECTION WITH AN INVESTMENT IN THE ORDINARY SHARES, SEE CHAPTER 4.**

The Translation of the Trading Admission Document contained in this document is provided to prospective purchasers for information purposes only and for ease of reference.

Prospective purchasers are deemed to have acknowledged that (i) they have not relied on the managers of the Offer (the **“Managers”**) or any person affiliated with the Managers in connection with any investigation of the accuracy of any information contained in this Translation or their investment decision; (ii) the Managers make no representation or warranty, express or implied, as to the fairness, accuracy, completeness or correctness of the Translation and none of the Managers nor any of their respective directors, members, officers, employees or affiliates accept any liability whatsoever (in negligence or otherwise) for any loss however arising from any use of the Translation or its contents; and (iii) no person has been authorised to give any information or make any representations not contained in this document in connection with the Offer, and if given or made, such information or representations should not be relied upon as having been authorised by any of the Managers or the Company. Neither the delivery of this document nor any sale made in the Offer, shall, under any circumstance, create an implication that there has not been any change in the affairs of the Company since the date hereof or that the information contained herein is correct as of any time subsequent to the date hereof.

Neither this document, nor the Trading Admission Document nor any other document issued in connection with the offer and sale of the Ordinary Shares nor any copy thereof may be distributed in any jurisdiction where its distribution may be restricted by law except under circumstances that will result in compliance with any applicable laws or regulations, and any such material may not be used for, or in connection with, any offer to, or solicitation by, anyone in any jurisdiction or in any

circumstances where such offer or solicitation is not authorised or is unlawful, nor shall any of the foregoing or any part from the basis of or be relied upon in connection with any contract or commitment whatsoever. Persons into whose possession this document comes are required to inform themselves about and observe any such restrictions. No action will be taken by the Company or the Managers to permit a public offering of the Ordinary Shares or the possession or distribution of this document in any jurisdiction where action for that purpose may be required.

The Ordinary Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or the securities laws of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

The Ordinary Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations.

## TRADING ADMISSION DOCUMENT

CONCERNING ADMISSION TO TRADING OF SPAXS S.P.A.'S ORDINARY SHARES AND  
CONDITIONAL SHARE RIGHTS ON AIM ITALIA/MERCATO ALTERNATIVO DEL  
CAPITALE, ORGANISED AND MANAGED BY BORSA ITALIANA S.P.A.

*Issuer*

SPAXS



*Joint Global Coordinator*

*Joint Bookrunner*

*Nominated Advisor*

*Specialist*

*Joint Global Coordinator*

*Joint Bookrunner*

*Joint Bookrunner*

*AIM Italia is a multilateral trading facility (MTF) primarily devoted to small and medium enterprises with high growth potential. The risk associated to those enterprises is typically higher compared to larger issuers with a well-established business.*

*Investors must be aware of the risks associated to investment in this type of issuers, and must decide to invest only after careful assessment.*

*Consob and Borsa Italiana did not evaluate, nor approved, the content of this document.*

## WARNING

*This Trading Admission Document was drawn up in compliance with the AIM Rules for Companies approved and published by Borsa Italiana S.p.A. (Italian Stock Exchange), as amended and supplemented, for purposes of trading ordinary shares and conditional share rights on AIM Italia multilateral trading facility.*

*This Trading Admission Document and the Offer thereunder fall within those cases in which the provisions on public offering of securities do not apply. Such cases are listed under Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented (the “**Consolidated Finance Act**” or “**TUF**”), and Article 34-ter of the regulations on issuers implementing the TUF, approved by Consob (Italian Securities and Exchange Commission) with Regulation No. 11971 of 14 May 1999, as amended and supplemented (the “**Regulation 11971**”).*

*This Trading Admission Document and the Offer described therein when made are only addressed to and directed at persons in member states of the European Economic Area who are “qualified investors” within the meaning of Article 2(1)(e) of the Directive 2003/71/EC and amendments thereto, including Directive 2010/73/EU (the “**Prospectus Directive**”), to the extent implemented in the relevant Member State of the European Economic Area) and any implementing measure in each relevant Member State of the European Economic Area (“**Qualified Investors**”). In the United Kingdom, this Trading Admission Document and the Offer is directed only at Qualified Investors who are (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”); (ii) high net worth bodies corporate, unincorporated associations, partnerships, trustees of high value trusts and other persons as described in Article 49(2)(a) to (d) of the Order; or (iii) other persons to whom it can otherwise lawfully be distributed (each a “**Relevant Person**”). This Trading Admission Document and the Offer contained therein must not be acted or relied upon by persons other than Relevant Persons in the United Kingdom and any investment or investment activity or controlled investment or controlled activity to which this document relates will only be available to such persons and will be engaged in only with such persons.*

*In addition, in Italy, this document is being distributed only to, and is directed only at, qualified investors as defined in Article 34-ter, paragraph 1, letter b) of Regulation 11971 implementing Article 100 of TUF provided that such Qualified Investors will act in their own account and not as depositaries or nominees for other shareholders or third parties (“**Italian Qualified Investors**”).*

*Neither this Trading Admission Document, nor the transaction described hereunder constitute admission to trading securities on a regulated market, as defined in the TUF and Regulation 11971. Therefore, a prospectus pursuant to the format set out under Regulation No. 809/2004/EC is not required. Consob does not need to authorise publication of this Trading Admission Document pursuant to Directive 2003/71/EC or any other provision or regulation on drawing up and publishing prospectuses (including Articles 94 and 113 of the TUF).*

*This Trading Admission Document may not be disseminated, either directly or indirectly, in jurisdictions other than Italy and, in particular, in Australia, Canada, Japan and the United States of America, or in any other country where the offer of securities cited in this Trading Admission*



*Document is not permitted without specific authorisations by the competent authorities, nor communicated to investors residing in these countries, without prejudice to any exemptions that may be established under the applicable laws. The publication and dissemination of this Trading Admission Document in other jurisdictions may be subject to legal or regulatory restrictions. Anybody who come into possession of this Trading Admission Document must first inform themselves about, and observe, the existence of such regulations and restrictions.*

*The Issuer's financial instruments have not been and will not be registered under the United States Securities Act of 1933 and its subsequent amendments, or with any financial regulatory authority of a US state or under the relevant legislation of financial instruments in force in Australia, Canada or Japan. The Issuer's financial instruments may not be offered, sold or otherwise transferred, directly or indirectly, in/to Australia, Canada, Japan and the United States, nor may they be offered, sold or otherwise transferred, directly or indirectly, on behalf or for the benefit of citizens or persons residing in Australia, Canada, Japan or the United States, except pursuant to any exemptions provided for under applicable law or regulations. Any investment or investment activity to which this document relates is available only to purchasers of the Issuer's financial instruments in an offshore transaction outside of the United States in reliance on Regulation S or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.*

*The violation of these restrictions could constitute a violation of the applicable law regarding financial instruments in the relevant jurisdiction.*

#### **Information to Distributors**

*Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (the **MiFID II**); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the **MiFID II Product Governance Requirements**), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any manufacturer (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the ordinary shares and the conditional share rights of SPAXS S.p.A. (the **Securities**) have been subject to a product approval process, which has determined that such Securities are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the **Target Market Assessment**).*

*Notwithstanding the Target Market Assessment, Distributors should note that: the price of the Securities may decline and investors could lose all or part of their investment; the Securities offer no guaranteed income and no capital protection; and an investment in the Securities is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offer. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Manufacturers will only procure investors who meet the criteria of professional clients and eligible counterparties.*

*For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor*



*or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Securities.*

*Each distributor is responsible for undertaking its own target market assessment in respect of the Securities and determining appropriate distribution channels.*

*By accepting or accessing this Trading Admission Document, you shall be deemed to have represented and warranted that (i) you have read and agreed to comply with the foregoing limitations and restrictions, (ii) you are able to receive this presentation without contravention of any applicable legal or regulatory restrictions, (iii) if you are in a member state of the European Economic Area (other than the United Kingdom), you are a Qualified Investor; (iv) if you are in the United Kingdom, you are a Relevant Person; (v) if you are in Italy, you are an Italian Qualified Investor; and (vi) you acknowledge that you understand that there are legal and regulatory sanctions attached to the misuse, disclosure or improper circulation of this document.*



## DEFINITIONS AND GLOSSARY

The following are the main definitions and the main technical terms concerning the transaction referred to in this Trading Admission Document, in addition to those indicated in the text. Please note that the definitions and terms used hereunder in the singular form, whenever the context so requires, include the plural form and vice versa.

<b>AC</b>	Andrea Clamer, born in Milan, on 23 September 1977, Tax ID Code CLMNDR77P23F205A.
<b>AC Valuecreation</b>	AC Valuecreation S.r.l., with registered office in Milan, at Viale Abruzzi no. 7, Tax ID Code and enrolment in the Milan Company Register at no. 10129390968.
<b>AIM Italia or AIM</b>	<i>AIM Italia/Mercato Alternativo del Capitale</i> multilateral trading facility, managed and organised by Borsa Italiana S.p.A.
<b>Capital Increase</b>	The increase in the Company's share capital, in one or more <i>tranche(s)</i> , for consideration and effective also where not all newly issued shares are subscribed, excluding the option rights under Article 2441, paragraph 5, of the Italian Civil Code, authorised by the Company's Extraordinary Shareholders' Meeting on 17 January 2018, as subsequently increased by the Extraordinary Shareholders' Meeting held on 25 January 2018, for a maximum nominal amount of EUR 600,000,000.00, by issuing a maximum of no. 60,000,000 Ordinary Shares without indication of the par value, granting regular dividend rights, No. 1 Conditional Share Right is granted for every 10 Ordinary Shares subscribed. The Capital Increase is reserved within the scope of the Offer aimed at trading the Ordinary Shares and Conditional Share Rights on AIM Italia market.
<b>Share Capital Increase Reserved for the Promoting Companies</b>	The increase in the Company's share capital authorised by the Extraordinary Shareholders' Meeting held on 17 January 2018, as subsequently increased by the Extraordinary Shareholders' Meeting held on 25 January 2018, for consideration and effective also where not all newly issued shares are subscribed, for a maximum nominal amount of EUR 17,950,000.00, by issuing a maximum of no. 1,795,000 new shares, without par value, granting regular

	dividend rights, offered to the Promoting Companies on a pre-emptive right basis, in their capacity as shareholders of SPAXS, at the price of EUR 10.00 per share.
<b>Conversion Shares</b>	The newly issued no. 6,000,000 Ordinary Shares of the Company, without indication of the par value, to be assigned at no charge to Conditional Share Rights holders.
<b>Ordinary Shares</b>	The Company's Ordinary Shares, without indication of the par value, granting regular dividend rights and freely transferable, to be admitted for trading on AIM Italia.
<b>Special Shares</b>	A maximum of no. 1,800,000 Special Shares of the Company, without indication of the par value, granting regular dividend rights, but without voting rights, and convertible into Ordinary Shares, at the terms and conditions laid down under Article 6 of the Articles of Association.
<b>Banca IMI</b>	Banca IMI S.p.A., with registered office in Milan, at Largo Mattioli no. 3.
<b>Borsa Italiana</b>	Borsa Italiana S.p.A., with registered office in Milan, at Piazza degli Affari no. 6.
<b>Consob</b>	The <i>Commissione Nazionale per le Società e la Borsa</i> Italian Securities and Exchange Commission, with registered office in Rome, at Via G. B. Martini no. 3.
<b>Escrow Account(s)</b>	One or more (i) bank account(s) or restricted deposit(s), (ii) insurance products or monetary instruments, (iii) funds, management and administration of bank account(s) or restricted deposit(s), insurance products or monetary instruments, restricted until the effective date of the Material Transaction, on which the Restricted Amounts shall be deposited or held.
<b>CP</b>	Corrado Passera, born in Como (CO), on 30 December 1954, Tax ID Code PSSCRD54T30C933K.
<b>Credit Suisse</b>	Credit Suisse Securities (Europe) Limited, with registered office in One Cabot Square, E14 4QJ London, United Kingdom.

<b>Trading Start Day</b>	The date on which the trading of the Company's Ordinary Shares and the Conditional Share Rights on AIM Italia market shall commence. Borsa Italiana will establish such date, which is expected to be on 1 February 2018, by publishing a notice.
<b>Trading Admission Document Date</b>	The date on which the Issuer shall send the Trading Admission Document to Borsa Italiana, which is at least three trading days before the expected admission date.
<b>Conditional Share Rights</b>	Any conditional share right referred to as " <i>Conditional Share Right SPAXS S.p.A.</i> ", which entitles the holder to acquire the Company's Conversion Shares, at the terms and conditions under the Conditional Share Rights Regulation.
<b>Trading Admission Document</b>	This trading admission document drawn up pursuant to Article 3 of the AIM Rules for Companies.
<b>Issuance of Conversion Shares</b>	The issuance of no. 6,000,000 Conversion Shares without indication of the par value and without variation to the share capital that are to be assigned at no charge to Conditional Share Rights holders, resolved by the Company on 17 January 2018 and on 25 January 2018.
<b>Issuer or Company or SPAXS</b>	SPAXS S.p.A., with registered office in Milan, at Via Mercato no. 3, Tax ID Code and enrolment in the Milan Company Register at no. 10147580962.
<b>Equita</b>	Equita SIM S.p.A., with registered office in Milan, at Via Turati no. 9.
<b>Joint Bookrunner</b>	Means Banca IMI, Credit Suisse and Equita jointly.
<b>Joint Global Coordinator</b>	Means Banca IMI and Credit Suisse jointly.
<b>Market Abuse Regulation or MAR</b>	The Regulation (EU) No. 596/2014 of the European Parliament and of the Council dated 16 April 2014 and related implementing provisions in force at the Trading Admission Document Date.
<b>Metis</b>	Metis S.p.A., with registered office in Milan, at Via Boccaccio no. 4, Tax ID Code and enrolment in the Milan Company Register at no. 10133540962.

<b>Monte Titoli</b>	Monte Titoli S.p.A., with registered office in Milan, at Piazza degli Affari no. 6.
<b>MTA</b>	<i>Mercato Telematico Azionario</i> , regulated market managed and organised by Borsa Italiana.
<b>Nomad or Nominated Adviser</b>	Means Banca IMI.
<b>Offer</b>	The subscription offer of a maximum of no. 60,000,000 Ordinary Shares, issued upon the Share Capital Increase, with free allocation of no. 1 Conditional Share Right every no. 10 Ordinary Shares subscribed and reserved exclusively for: (i) professional investors, as defined under Article 100 of the TUF and 34-ter, first paragraph, letter b), of the Regulation 11971, and foreign institutional investors pursuant to Regulation S of the United States Securities Act of 1933 (excluding Australia, Canada, Japan and the United States of America) and (ii) investors other than the investors referred to under point (i) above, in such manners that, due to the quality and/or quantity, the provisions on public offering of securities under Article 100 of the TUF and 34-ter of Regulation 11971 do not apply to the Company.
<b>Material Transaction</b>	Means any business combination involving companies, enterprise(s) or business branch(es) and implemented in any way whatsoever, including (without limitation) (i) the acquisition of (minority or majority) shareholdings in another company/ies and/or enterprise(s); and/or (ii) any other business combination by way of contribution or – as a preferred option – through a merger, including in combination with the purchase or subscription of shareholdings, to be carried out after the Trading Start Date, provided that the Company may only implement such transaction(s) upon amending its corporate purpose.
<b>Offering Price</b>	The purchase price, set at EUR 10.00 (ten/00) for each share, of the Ordinary Shares, with free allocation of no. 1 Conditional Share Right every no. 10 Ordinary Shares subscribed.
<b>International accounting principles or IAS/IFRS</b>	The International Financial Reporting Standards (IFRS), the International Accounting Standards (IAS), and related interpretations, issued by the International



	Accounting Standards Board (IASB) and approved by the European Commission pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and Council dated 19 July 2002.
<b>Domestic accounting principles</b>	The domestic accounting principles issued by the OIC ( <i>Organismo Italiano di Contabilità</i> – Italian Accounting Body).
<b>Promoters</b>	Means CP and AC jointly.
<b>Regulation 11971</b>	The implementing regulation of the TUF, concerning issuers, approved by Consob by Regulation No. 11971 of 14 May 1999, as amended and supplemented.
<b>AIM Rules for Companies</b>	The AIM Italia Rules for Companies approved and published by Borsa Italiana and in force at the Trading Admission Document Date.
<b>Rules for Nominated Advisers</b>	The AIM Italia Rules for Nominated Advisers approved and published by Borsa Italiana in force at the Trading Admission Document Date.
<b>Conditional Share Rights Regulation</b>	The regulation on the “ <i>Conditional Share Rights SPAXS S.p.A.</i> ”, approved by the Company’s Shareholders’ Meeting on 17 January 2018 and subsequently amended on 25 January 2018.
<b>Initial Availability</b>	Means the maximum overall equivalent value equal to EUR 18,000,000.00 resulting from (i) the conversion into Special Shares of no. 5,000 Ordinary Shares subscribed and paid-up by the Promoting Companies; and (ii) the subscription and paying-up of a maximum of no. 1,795,000 Special Shares issued following the Share Capital Increase Reserved for the Promoting Companies, at the price of EUR 10.00 per each Special Share.
<b>Monte Titoli System</b>	Italian Central Securities Depository, managed by Monte Titoli.
<b>Audit Firm or KPMG</b>	Means the audit firm KPMG S.p.A., with registered office in Milan, at Via Vittor Pisani no. 25.
<b>Promoting Companies</b>	Means Tetis and AC Valuecreation jointly.
<b>Available Amounts</b>	Means an amount that includes: (i) the Initial Availability; and (ii) the interest accrued and accruing

	on the Restricted Amounts, net of taxes, expenses and charges payable in relation to the Escrow Account(s). Expenses and fees payable in relation to the Offer must be deducted from these amounts.
<b>Restricted Amounts</b>	100% of the amounts received by the Company for the subscription and paying-up of the Ordinary Shares, further to the Share Capital Increase, deposited and/or held on the Escrow Account(s), which may only be used subject to the Shareholders' Meeting granting its authorisation pursuant to Article 15.2 of the Articles of Association, unless these amounts are used for the redemption of Ordinary Shares in the event of exercise of the Right of Withdrawal or winding-up of the Company.
<b>Specialist</b>	Means Banca IMI.
<b>Company's Articles of Association or Articles of Association</b>	The Issuer's Articles of Association approved by the Company's Shareholders' Meeting on 17 January 2018, as subsequently amended on 25 January 2018, and in force at the Trading Start Date.
<b>Deadline</b>	The earlier of: (i) 31 July 2020 or (ii) the end of the 18 <sup>th</sup> calendar month following the Trading Start Date, provided that, where at such date an agreement concerning the implementation of the Material Transaction has been executed and disclosed to the market pursuant to the applicable provisions, the Deadline shall automatically be extended to the end of the 6 <sup>th</sup> calendar month following such date.
<b>Consolidated Finance Act or TUF</b>	Italian Legislative Decree No. 58 of 24 February 1998, as amended and implemented.
<b>Income Tax Consolidation Act or TUIR</b>	Italian Presidential Decree No. 917 of 22 December 1986, as amended and implemented.
<b>Tetis</b>	Tetis S.p.A., with registered office in Milan, Tax ID Code and enrolment in the Milan Company Register at no. 10138400964.

**CHAPTER ONE**

**1. THE PARTIES RESPONSIBLE FOR THE TRADING ADMISSION DOCUMENT**

**1.1 Entities responsible for the information provided under the Trading Admission Document**

The Issuer accepts responsibility for the completeness and truthfulness of the information and data contained in this Trading Admission Document.

**1.2 Statement issued by the entities responsible for the Trading Admission Document**

The Issuer states that, having adopted all reasonable due diligence for this purpose, the information contained in this Trading Admission Document is, to the best of its knowledge, factually accurate, and does not contain any omissions such as to affect its meaning.

## **2. AUDIT FIRM**

### **2.1 The Issuer's Audit Firm**

On 12 January 2018, upon the Board of Statutory Auditors so proposing, the Issuer's Ordinary Shareholders' Meeting appointed the audit firm KPMG S.p.A., with registered office in Milan, Via Vittor Pisani no. 25, as the independent audit firm in relation to the financial years ending on 31 December 2018, 2019 and 2020 pursuant to Article 13 of Legislative Decree No. 39/2010, as amended and supplemented.

### **2.2 Information on the relations with the Audit Firm**

At the Trading Admission Document Date, the assignment conferred by the Issuer upon the Audit Firm has not been revoked, nor has the Audit Firm resigned from office.

### **3. SELECTED FINANCIAL INFORMATION**

#### **3.1 Selected financial information**

The Company was incorporated on 20 December 2017. It did not conduct any business prior to that date.

During the period from its incorporation until the Trading Admission Document Date, the Company focused mainly on defining its organisational structure and on the admission process for trading the Ordinary Shares and Conditional Share Rights on AIM Italia market.

It should be noted that, as of the Trading Admission Document Date, no financial information has been disclosed to the public, nor drafted, according to the law.

Pursuant to Article 26 of the Articles of Association, the Company's financial years end on 31 December of each year. The Company's first financial statements will refer to the period ending on 31 December 2018, and will be drawn up based on the legal provisions as interpreted and supplemented by the accounting standards of the *Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili* (Italian National Council of Chartered Accountants and Accounting Experts), as amended by the Italian Accounting Body (OIC) and documents issued directly by the OIC.

#### **3.2 Selected interim financial information**

Pursuant to Article 18 of the AIM Rules for Companies, the Company must provide interim financial information on a semi-annual basis.



## RISK FACTORS

### 4. RISK FACTORS

The transaction described in this Trading Admission Document presents the risk elements typical of an investment in shares and conditional share rights admitted to trading on a multilateral trading facility.

To properly evaluate the investment, investors are invited to evaluate the specific risk factors concerning the Issuer, the business sector in which it operates, and the financial instruments offered.

The risk factors described in this Section "*Risk Factors*" must be read in light of the information contained in the Trading Admission Document.

The business and the economic, equity and financial situation of the Company, as well as its prospects and the price of the Issuer's financial instruments could be adversely affected by any of the circumstances described below. Furthermore, shareholders may lose all or part of their investment. These negative effects on the Company and on its financial instruments could also occur if certain events – still unknown to the Company – occur that expose it to further risks or uncertainties, or if risk factors considered insignificant today, become relevant due to supervening circumstances.

References to Chapters, Sections and Paragraphs are references to the Chapters, Sections and Paragraphs of the Trading Admission Document.

#### 4.1 RISK FACTORS CONCERNING THE ISSUER

##### *Risks related to Special Purpose Acquisition Companies (SPACs)*

##### *4.1.1 Risks arising from not having conducted any prior business*

SPAXS was incorporated on 20 December 2017. It did not conduct any business prior to that date.

During the period from its incorporation until the Trading Admission Document Date, the Company focused mainly on defining its organisational structure and on the admission process for trading the Ordinary Shares and Conditional Share Rights on AIM Italia. Evaluating the Company's management's capacity to pursue the targets, and more specifically, implement the Material Transaction might prove difficult due to the fact that the Company has not conducted any prior business.

It should also be noted that the Issuer's business will develop exclusively for purposes of implementing the Material Transaction. Consequently, the Company may not generate revenues until the Material Transaction has been implemented. As at the Trading Admission Document Date, no forecast can be made as to how long it might take before the development operations concerning the Company's activities generate positive effects.

For further information, reference is made to Chapter One, Section 6 of the Trading

## RISK FACTORS

Admission Document.

### *4.1.2 Risks arising from failing to implement the Material Transaction or from implementing it in an untimely manner, as well as from the external growth strategies*

In accordance with Article 4 of the Articles of Association, the Company's duration is until the Deadline, that is, the earlier of the following dates: (i) 31 July 2020 and (ii) the end of the 18<sup>th</sup> calendar month after the Trading Start Date, provided that, where at such date an agreement concerning the implementation of the Material Transaction has been executed and disclosed to the market pursuant to the applicable provisions, the Deadline will automatically be extended to the end of the 6<sup>th</sup> calendar month following such date.

It is worth pointing out that one or more suitable targets may not be identified, and the Material Transaction may not be implemented in accordance with the investment policy of the Company, by the Deadline. Failure to approve the Material Transaction by such date (in compliance with Article 4 of the Articles of Association), including due to reasons beyond SPAXS's control, would result in the winding-up and liquidation of the Company. In addition, it should be noted that, in the light of the investment policy of the Company, which intends to identify the potential target company among the companies operating in the banking and/or financial sector, the identification by the Company of the potential target company may be more difficult than it would be if made by other Special Purpose Acquisition Companies (SPACs).

For more information on the investment policy of the Company, please refer to Chapter One, Section 6, Paragraph 6.1.3 of the Trading Admission Document.

The implementation and the positive outcome of the Material Transaction will be largely influenced by (i) the existence of a potential target whose characteristics match the Issuer's investment policy; (ii) the objectives pursued by the Target; (iii) the actual opportunities for the target to complete the Material Transaction; and (iv) the ability of the Issuer's management to identify a Target with the aforementioned characteristics and negotiate the terms of the Material Transaction. Difficulties potentially connected to the acquisition and aggregation of the identified target(s), such as delays in completing the procedures, obtaining the necessary authorisations from the competent authorities, or unexpected costs and liabilities, as well as any impossibility to achieve operating benefits or synergies from the transactions performed or other variables that are beyond the Issuer's control, could negatively affect the Issuer's activities and results.

Furthermore, as a result of the Deadline approaching, negative effects may also affect the identification of the potential Target as well as the trading activity aimed at concluding the Material Transaction, which could take place at less favourable conditions for the Company. In fact, in the event that there was not enough time to negotiate the Material Transaction on terms favourable to the Company or to abandon the negotiations in progress and begin a new search for a target company, the Company could be under strong pressure to conclude the Material Transaction with a target company and/or on terms and conditions that it would not have accepted under different circumstances.

## **RISK FACTORS**

At the Trading Admission Document Date, the Company has no existing or prospective agreements related to the implementation of the Material Transaction, nor has it identified and/or evaluated specific transactions to be carried out. No certainty exists that the Material Transaction will be carried out.

For more information, please refer to Chapter One, Section 6 of the Trading Admission Document.

### ***4.1.3 Risks arising from commencing the winding-up and liquidation of the Company before implementing the Material Transaction***

Article 7 of the Articles of Association provides that a sum corresponding to 100% of the amount collected by the Company as a result of subscribing and paying-up the Ordinary Shares following the Capital Increase must be deposited and/or held on the Escrow Account(s). For further details on such Escrow Account(s), please refer to Section 16, Paragraph 16.1 of the Trading Admission Document.

The Restricted Amounts may be used, subject to approval by the Shareholders' Meeting, exclusively as follows: (i) to implement the Material Transaction; (ii) to redeem the shares where the shareholders exercise their right of withdrawal under Article 8 of the Articles of Association; (iii) in case of winding-up and ensuing liquidation of the Company, all as better specified in the Articles of Association. It should be noted that, pursuant to Article 7.4 of the Article of Association, until the effective date of the Material Transaction or of the Company's winding-up, for purposes of the Company's ordinary management, the Board of Directors may use 100% of the interest, the coupons, the proceeds or, in general, the returns (when realised) accruing on the sums deposited on the Escrow Account, in addition to the Initial Availability.

If the Issuer's Shareholders' Meeting resolves to wind up and consequently put into liquidation the Company prior to the execution of the Material Transaction, the redemption value of the Ordinary Shares may be lower than their subscription price at the time of the Offer.

It should also be noted that, if the Company is wound up, all rights attached to the Conditional Share Rights will lapse, becoming invalid.

For further information, please refer to Chapter One, Section 6 of the Trading Admission Document.

### ***4.1.4 Risks arising from the liquidation procedure and any shareholders' liabilities arising after conclusion thereof***

In the event that the Shareholders' Meeting does not approve the Material Transaction by the Deadline, the Company will be placed in liquidation pursuant to Article 28 of the Articles of Association.

According to the applicable law provisions, the liquidation procedure consists of three distinct phases: (i) verification of the grounds for the winding-up; (ii) liquidation of the

## RISK FACTORS

company's assets, payment of the creditors by the liquidators and distribution among the shareholders of any residual liquidation proceeds; and (iii) cancellation of the Company from the Company Register.

It should be noted that, pursuant to Article 2495 of the Italian Civil Code, even after the cancellation of the company from the Company Register, and despite its dissolution, any unsatisfied company's creditors may enforce their rights against: (i) the shareholders, up to the amount collected by them based on the final liquidation accounts; and (ii) the liquidators, if the non-payment was due to their fault. Furthermore, the Company's creditors may initiate involuntary bankruptcy proceedings for the Company, if the conditions laid down by the law are met, within one year of cancellation of the same from the Company Register.

In light of the foregoing, even after the cancellation of SPAXS from the Company Register and its subsequent dissolution, we cannot rule out the risk that any unsatisfied creditors may assert a claim against the residual assets for the value received by the Company's shareholders or, where the requirements laid down under the law are satisfied, initiate involuntary bankruptcy proceedings for the Company. In this event, the shareholders of SPAXS could be exposed to the risk of having to repay, in whole or in part, the amounts received during the liquidation of the Company.

For more information, please refer to Chapter One, Section 6 of the Trading Admission Document.

### ***4.1.5 Risks arising from implementing the Material Transaction in the event of exercise of the right of withdrawal***

According to Article 15.4 of the Company's Articles of Association, the resolutions of the Shareholders' Meeting approving the Material Transaction are subject to both the following conditions subsequent: **(a)** the exercise of the right of withdrawal by a group of shareholders representing at least 30% of the ordinary share capital, where they did not participate in the approval of the aforementioned change in the corporate purpose necessary to implement the Material Transaction; and **(b)** completion of the liquidation procedure by the withdrawing shareholders, pursuant to Article 2437-*quater* of the Italian Civil Code, by redemption or cancellation of a number of shares equal to, or greater than, 30% of the number of the Company's ordinary shares. Therefore, where the right of withdrawal is exercised by a group of shareholders representing more than 30% of the ordinary share capital, but – as a result of the offer on a pre-emptive right basis and/or placement with third parties of the shares held by the withdrawing shareholders pursuant to Article 2437-*quater* of the Italian Civil Code – the Company has redeemed or cancelled a number of ordinary shares representing less than 30% of the ordinary share capital, the condition subsequent will not be considered fulfilled.

Therefore, if the right of withdrawal is exercised by a group of shareholders representing more than 30% of the ordinary share capital, but – as a result of the offer to the shareholders on a pre-emptive basis and/or placement with third parties of the shares held by the withdrawing shareholders pursuant to Article 2437-*quater* of the Italian Civil Code – the

## **RISK FACTORS**

Company has redeemed or cancelled a number of shares representing less than 30% of the ordinary share capital, the condition subsequent under point (b) above will not be considered fulfilled, and the Material Transaction will not be implemented. In this event, the Company may decide to find additional resources to implement the Material Transaction by borrowing or collecting funds through, without limitation, a new share capital increase.

Otherwise, in the event that both the conditions subsequent under points (a) and (b) above have been fulfilled, the Company will not be able to implement the Material Transaction, and shall start a new phase of research and selection of other target companies to carry out the Material Transaction by the Deadline.

It should be noted that the failure to approve the Material Transaction by the Deadline (as provided for by Article 4 of the Articles of Association) will result in the dissolution of the Company, which will be placed in liquidation. In this event, the redemption value of the Issuer's Ordinary Shares may be lower than their subscription price. It should also be noted that, in the event of liquidation of the Company, all rights attached to the Conditional Share Rights will lapse, becoming invalid.

For more information, please refer to Chapter One, Section 6 of the Trading Admission Document.

### ***4.1.6 Risks arising from the resources available for the Company's ordinary management being insufficient***

To meet its operating and management costs, as well as in carrying out the search for, and selection of, one or more target companies that may be the subject of the investment, the Company may use the Available Amounts.

The Company might bear relevant costs – *i.e.*, for due diligence, negotiation and drafting of contractual documents and fees of the consultants involved – in carrying out its search and selection of the target company, with which the Material Transaction may not be eventually carried out. The Company may not reimburse these costs and expenses if the Board of Directors decides not to carry out a specific transaction, or the Shareholders' Meeting does not approve the Material Transaction, or if the condition subsequent to which the resolution approving the Material Transaction will be subject is not satisfied. This could have a negative impact on the ability to carry out the Material Transaction, having fewer and fewer resources available to identify and select the target company.

Although the Board of Directors intends to adopt reasonable cost containment measures, the Issuer cannot ensure that the Available Amounts are sufficient to cover all its operating costs or costs related to the implementation of the selection process of the target company, as well as to the carrying out of all related activities (such as, without limitation, due diligence and consultancy costs). If these costs are higher than the Available Amounts, the Company may not be able to continue the search and selection of the target company. Furthermore, we cannot rule out that the Board of Directors might have to request an authorisation from the Shareholders' Meeting to use part of the Restricted Amounts, establishing the limits thereof.

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For more information, please refer to Section One, Chapter 6 of the Trading Admission Document.

### ***4.1.7 Risks arising from the Issuer not being able to obtain financing or additional financial resources***

We cannot rule out that the Company may need additional resources to finance the Material Transaction (such as through borrowing funds and/or further capital increases).

The possibility of using these additional resources will depend, among other things, on the market conditions at the time the Material Transaction is carried out, having regard to the trend in interest rates and the availability of sources of credit or the nature and characteristics of activities of the selected target company, also considering the Company's financial capacity.

Finally, it should be noted that, pursuant to Article 15.2 of the Articles of Association, the Issuer's Shareholders' Meeting must previously authorise any debt financing (without prejudice to any payment of the interest that will accrue on the Escrow Account) and the granting of guarantees. There is therefore a risk that, if the Company intends to use this source of financing to implement the Material Transaction, the Shareholders' Meeting might deny its authorisation.

### ***4.1.8 Risks arising from conducting due diligence***

The Company will implement the Material Transaction upon conducting appropriate due diligence aimed at adequately assessing the target company(ies) involved in the potential investment.

However, there is no certainty that this activity will unveil all the critical aspects related to the target company(ies) and the future risks that could derive from the potential investment.

In the event that, after executing the Material Transaction, any capital losses emerged, and/or it was established that some assets do not exist and/or liabilities were discovered that were not detected during the due diligence, there could be negative effects on the Company's business and its results, as well as on the market price of the Ordinary Shares and of the Conditional Share Rights.

Lastly, it should be noted that if the target company(ies) were to be identified as the Deadline approaches, the related due diligence should take place within a reduced period; in this case, the risks connected with carrying out due diligence could increase due to time restrictions.

### ***4.1.9 Risks arising from the reliance on key persons***

The Company's business depends, to a significant extent, on the contribution offered by Mr. Corrado Passera, Executive Chairman of the Issuer's Board of Directors, and by some other key persons, who are members of the Company's Board of Directors.



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The loss of the professional contribution by one or more members of the Company's Board of Directors, which play a decisive role in managing the Company's activities, could negatively affect the development of the Company's business. More specifically, where SPAXS is not able to promptly replace those professionals with equally qualified persons suitable to ensure the same operational and professional contribution, this could negatively affect the business and the implementation of the Material Transaction by the Company.

For more information, please refer to the Chapter One, Section 6, Paragraph 6.1.2 and Section 10 of the Trading Admission Document.

### ***4.1.10 Risks arising from the non-distribution of dividends***

Pursuant to Article 27 of the Articles of Association, the profits resulting from the duly approved financial statements, after deducting the share to be allocated to the legal reserve, may not be distributed to the shareholders before the effective date of the Material Transaction.

The amount of any dividend that SPAXS will be able to distribute in the future, and resulting from the Material Transaction, will depend, among other things, on its future revenues, financial situation, investments, net working capital requirements, capital expenditure and other factors; therefore, the Issuer may not be able to distribute dividends even after the Material Transaction has become effective.

Furthermore, despite the existence of distributable profits, no guarantee can be given regarding the Company's future policies on the distribution of dividends.

### ***4.1.11 Risks arising from the reduction in the Restricted Amounts and the uncertainty as to the redemption value in the event of exercise of the right of withdrawal and winding-up of the Company***

The Restricted Amounts will be held and/or deposited with one or more (i) bank accounts or restricted bank deposits, (ii) insurance or monetary instruments, (iii) funds, management or administration of bank accounts and/or restricted bank deposits, insurance and/or monetary instruments and/or (iv) other similar instruments, which will be restricted until the effective date of the Material Transaction.

The Company cannot exclude that the Restricted Amounts might be the subject of any actions or claims by third parties, including public authorities, or that they might be subject to provisions or legislative or regulatory measures (such as, without limitation, compulsory withdrawals or extraordinary taxation), with effects detrimental to the shareholders. Consequently, those amounts may not be sufficient to fully finance the Material Transaction.

It should also be noted that, up to the effective date of the Material Transaction, the Restricted Amounts may be exposed to the risk associated with, among other things, the soundness of the banking and/or insurance and/or financial and/or monetary systems, should the financial institutions with which the Restricted Amounts are deposited and/or held face difficulties in guaranteeing the return and/or reimbursement of deposits and/or

## **RISK FACTORS**

repayment of existing loans, including as a result of the macroeconomic background. In addition, the risk that the Restricted Amounts may decrease due to the following cannot be excluded: (i) positive or negative changes in interest rates – including interest rates below zero – which may affect the yield and/or value of the Restricted Amounts; (ii) liquidity risks related to the market conditions and/or specific situations concerning the financial institutions with which the Restricted Amounts are deposited and/or held, or risks linked to the characteristics of the contractual relationship with the above counterparties, such as to delay or limit the reimbursement of sums deposited and/or held, or provide for and/or involve the payment of penalties by the Company or other costs in order to guarantee liquidity.

Any reduction in the Restricted Amounts could lead to a reduction in the liquidation value of the Ordinary Shares in the event of withdrawal and/or in the event of the Company being wound up. Such value may be lower than the subscription price of the Ordinary Shares in the Offer, including as a result of implementing the applicable legislation.

For more information, please refer to Chapter One, Section 6 of the Trading Admission Document.

### ***4.1.12 Risks arising from the reduction in the Restricted Amounts as a result of third-party claims and/or exceptional occurrences***

As of the Trading Admission Document Date, the Company is not a party to any judicial proceedings.

However, we cannot exclude that, in the future, third parties might file claims or commence judicial proceedings of various kinds against the Company, including in connection with the Issuer's obligations to indemnify and hold harmless and/or tort liability arising from breaking off the negotiations on the Material Transaction. The Restricted Amounts may be used to cover those liabilities.

The Company cannot exclude that the Restricted Amounts might be subject to provisions or legislative or regulatory measures (such as, without limitation, compulsory withdrawals or extraordinary taxation).

Any reduction in the Restricted Amounts could lead to a reduction in the liquidation value of the Ordinary Shares in the event of withdrawal and in the liquidation value of the Ordinary Shares where the Company is wound up as a result of the failure to approve the Material Transaction by the Deadline.

Moreover, a reduction in the Restricted Amounts may impact the resources available to implement the Material Transaction.

### ***4.1.13 Risks arising from the "bail-in", if the Restricted Amounts are deposited in bank accounts***

In 2014, Directive 2014/59/EU of the European Parliament and Council, known as "BRRD"

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(*Banking Resolution and Recovery Directive*) was issued, establishing a framework for the recovery and resolution of credit institutions and identifying the powers and the measures that national authorities in charge of tackling bank crises may use in the event of an economic crisis or financial distress of a bank.

More specifically, the BRRD, implemented in Italy with Legislative Decrees No. 180/2015 and No. 181/2015, provides that, when the conditions for commencing the crisis management procedures *vis-à-vis* the intermediary are met, the Supervisory Authority (*e.g.*, the European Central Bank or the Bank of Italy, as the case may be) may order: (a) the reduction or conversion of shares, other equity investments and equity instruments issued by the entity in question, when this allows to remedy the financial distress or the risk of financial distress of the intermediary; or (b) when the measure indicated in letter (a) are insufficient to remedy the financial distress or the risk of financial distress, the adoption of measures to wind up the intermediary, or the compulsory administrative liquidation.

The resolution measures include the “bail-in” or “*salvataggio interno*”, which came into force in Italy on 1 January 2016, consisting in the reduction of the rights of shareholders and creditors or in the conversion of the rights of the latter into equity, in order to absorb losses and recapitalise the bank in distress or the new entity that takes over its essential functions. The bail-in is inspired by the principle that those who invest in riskier financial instruments must endure any losses or the conversion into shares before anybody else, thus establishing a specific hierarchy. Only after having exhausted all the resources of the riskiest category of investments, the focus shifts to the next category. Based on such “hierarchy”: (i) firstly, the interests of the bank's “owners”, *i.e.*, of the existing shareholders, are sacrificed, reducing or bringing down to zero the value of their shares; and (ii) secondly, measures must be taken with respect to certain categories of creditors, whose assets can be transformed into shares – in order to recapitalise the bank – and/or reduced in value, if bringing down to zero their value is insufficient to cover the losses. The order to allocate losses in the event of a “bail-in” is, therefore, the following: (i) shareholders; (ii) holders of other instruments of ownership; (iii) owners of hybrid capitalisation instruments; (iv) holders of subordinated loans; (v) bondholders and other creditors; (vi) holders of deposits for an amount exceeding EUR 100,000.00.

The liabilities listed in Article 49 of Legislative Decree No. 180/2015 are excluded from the bail-in, including, without limitation, bonds guaranteed by banks' assets (such as covered bonds), and deposits protected by the deposit guarantee fund within a limit of EUR 100,000.00 per depositor (not all deposits are protected by the fund: those listed in Article 96-*bis* of the Italian Consolidated Law on Banking are excluded). If the bail-in is ordered against a bank, the deposit guarantee fund will pay an amount sufficient to cover the protected deposits within a limit of EUR 100,000.00 per depositor, provided that the sum necessary for this purpose does not exceed 50% of the fund's assets (or the higher amount established by the competent Supervisory Authority).

If one or more of the banking institutions with which the Restricted Amounts could be deposited were to find themselves in a situation of instability and the bail-in referred to in Legislative Decree No. 180/2015 was ordered before the Material Transaction is carried out,

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we cannot exclude the risk that the Company may encounter difficulties or be unable to be returned, in whole or in part, the liquidity deposited with this institution, with a consequent decrease in the Restricted Amounts (which may even be brought down to zero). As a result, the sums that would be paid in favour of the shareholders in the event of exercise of the right of withdrawal or liquidation due to expiry of the term of the Company, or the amounts to be used for carrying out the Material Transaction, may also be reduced or brought down to zero.

### ***4.1.14 Risks arising from negative interest rates***

On 5 June 2014, by deciding to reduce the reference interest rates of the European Central Bank, the Governing Council of the European Central Bank introduced a negative interest rate on deposits with the same central bank.

The decision of the European Central Bank to introduce a negative interest rate on deposits could affect the interest rates applied to the Restricted Amounts deposited on the Company's Escrow Account and, consequently, on the remuneration of those amounts.

In this case, the interest accrued on the Restricted Amounts could be lower than expected, and the Company, in pursuit of its corporate purpose and in carrying out the ordinary management up to the effective date of the Material Transaction or dissolution of the Company, may consequently need to use the sums received upon subscribing and paying-up the Special Shares.

Should those sums be insufficient, we cannot rule out the possibility that the Company's Board of Directors might have to request from the Shareholders' Meeting an authorisation to use part of the Restricted Amounts, with the negative consequences for investors described in Paragraph 4.1.13 above.

### *Risks specific to the Issuer*

#### ***4.1.15 Risks associated with the Special Shares***

Pursuant to Article 5 of the Articles of Association, the share capital of the Issuer is divided into Ordinary Shares and Special Shares.

On the Trading Start Date, the Special Shares will be wholly held by the Promoting Companies. The Special Shares grant their holders specific rights and powers on the Issuer's governance. More specifically, pursuant to Article 6.4 of the Articles of Association, the Special Shares have the following characteristics:

- (a) non-transferable for the maximum term established under the law, except for those transfers to subsidiaries (directly or indirectly) from the owner of the said Special Shares or said owner's shareholders or successors;
- (b) in accordance with Article 12 of the Articles of Association, said shares provide the right to submit nominees for positions in corporate bodies to the said corporate

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bodies of the Company, however, they provide voting rights in the ordinary and extraordinary Shareholders' Meetings, without prejudice in any case to the powers provided by law and/or the Articles of Association applicable to the special meeting of holders of Special Shares;

- (c) are excluded from the right to receive profits, however, they provide rights to the holders to receive distributable reserves;
- (d) if the Company is dissolved, the said shares provide its holders the right to payment of their share of the equity after liquidation pursuant to Article 28 of the Articles of Association;
- (e) are automatically converted into Ordinary Shares under the terms and conditions of Article 6 of the Articles of Association.

In addition, pursuant to Article 12 of the Articles of Association, where holders of Special Shares are called to approve resolutions of the Shareholders' Meeting that modify or prejudice their rights as holders of Special Shares (including the amendments indicated in Article 12), the related resolutions will be validly adopted, in any call, with the presence and favourable vote of holders of Special Shares representing at least 51% of the outstanding Special Shares at any given point-in-time.

For more information on the characteristics of the Special Shares, reference is made to the Articles of Association and Chapter One, Section 15, Paragraph 15.2.3 of the Trading Admission Document.

### ***4.1.16 Risks arising from potential conflict of interest involving the members of the Board of Directors***

Except as described below, at the Trading Admission Document Date, none of the members of the Board of Directors directly holds shareholdings in the Issuer's share capital.

On the Trading Start Date, the Promoting Companies will hold a percentage equal to 100% of the Special Shares.

With reference to the members of the Board of Directors, it should be noted that, as of the Trading Admission Document Date: (i) the Executive Chairman of the Company's Board of Directors, Mr. Corrado Passera, holds a majority shareholding in the Issuer's chain of control (as better described in Section 7, Chapter One, of the Trading Admission Document), and holds the office of sole Director of Metis; (ii) the Company's director, Mr. Andrea Clamer, holds a minority shareholding in the Issuer's chain of control (as better described in Section 7, Chapter One, of the Trading Admission Document); (iii) the Company's director, Mr. Massimo Brambilla, holds a minority shareholding in the Issuer's chain of control (as better described in Section 7, Chapter One, of the Trading Admission Document), and holds the office of sole Director of Tetis.

It should be noted that, in the event of dissolution of the Company following the failure to

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complete the Material Transaction within the Deadline: (i) the conditions for converting the Special Shares into Ordinary Shares will not be met; and (ii) the Special Shares will be subordinated to the Ordinary Shares in the asset allocation as part of the liquidation process, as better described in Article 28 of the Articles of Association. For these reasons, the members of the Board of Directors could be in a situation of conflict of interest in assessing the suitability of a specific Material Transaction and the compliance of its terms and conditions with the Company's best interest, especially in the case in which the relevant target is identified as the Deadline approaches.

It should be noted that in the context of the ordinary Shareholders' Meeting of 12 January 2018, the Directors Corrado Passera, Andrea Clamer and Massimo Brambilla expressly declared their intention to renounce to any compensation due to them in relation to the aforementioned respective offices; therefore, said ordinary Shareholders' Meeting has, *inter alia*, resolved to determine the total annual remuneration to be corresponded to the independent Director Maurizia Squinzi for the duration of the appointment, for an amount equal to EUR 10,000.00, in addition to the reimbursement of expenses incurred by its members for the completion of the assignment.

For further information, reference is made to Chapter One, Section 10, Paragraph 10.1 of the Trading Admission Document.

### ***4.1.17 Risks arising from potential conflict of interest in relation to the implementation of the Material Transaction and the identification of a target that is a Related Party of a Director***

It should be noted that all the members of the Company's Board of Directors exercise business and/or professional activities in addition to the duties carried out for the Company and, therefore, they hold interests in activities unrelated to the Company.

Furthermore, some members of the Board of Directors perform, within the scope of their business and/or professional activities, or on behalf of the companies in which they hold offices, activities similar to, or potentially in conflict with, those carried on by the Company; they could therefore find themselves in a situation of conflict of interest deriving from performing these activities with reference to the search for the target and the implementation of the Material Transaction.

More specifically, in carrying out their business and/or professional activities, the Directors may become aware of suitable investment opportunities for the purpose of both the Material Transaction and other activities which they carry out. The Directors may therefore find themselves in a potential situation of conflict of interest in determining the parties to whom they present a specific investment opportunity.

It should also be noted that the Directors may find themselves in a situation of conflict of interest with reference to the identification of the target since they (i) could hold roles (such as advisors, consultants, etc.) in the framework of a Material Transaction in which the



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Company is involved, including acting on behalf of the Company's counterparties or other purchasers potentially interested in the same Material Transaction; or (ii) may perform, or have performed, consultancy activities in the past and/or have commercial and/or financial relationships with possible targets of the Company.

The Company is not prohibited from carrying out a Material Transaction where one of the aforementioned situations occurs.

In addition, we cannot exclude that some Directors hold, or will hold, any financial interests that could influence their choice regarding a target, and, therefore, generate a conflict of interest in determining whether a specific Material Transaction best pursue the Company's interest.

Finally, we cannot exclude that the Company will implement the Material Transaction with a target that is a Related Party of one or more members of the Issuer's Board of Directors.

As of the Trading Admission Document Date, the Company has not identified any targets and is not able to predict if, when and under what circumstances the Board of Directors could propose to the Shareholders the implementation of the Material Transaction with a target that is a Related Party of one or more members of the Issuer's Board of Directors. In this regard, it should be noted that, also in consideration of the above, the Company has adopted corporate governance safeguards, such as a procedure for transactions with related parties, in order to ensure that any transactions carried out with related parties take place at arm's length.

For more information, reference is made to Chapter One, Section 15, Paragraph 15.2 of the Trading Admission Document.

### ***4.1.18 Risks arising from the Promoters purchasing any Ordinary Shares on the market***

We cannot exclude that the Promoting Companies might purchase, in the future, Ordinary Shares on the market. This, together with the conversion of the Special Shares into Ordinary Shares according to the terms and conditions set out in Article 6 of the Articles of Association, could increase the influence exerted by the Promoting Companies on the Company's shareholders' meeting. For an analysis of the dilutive effects deriving from the conversion of Special Shares into Ordinary Shares, please refer to Chapter Two, Section 7, of the Trading Admission Document. The related voting rights may be exercised without limitation also in the meeting called to approve the Material Transaction.

## **4.2 RISK FACTORS ASSOCIATED WITH THE MARKET IN WHICH THE ISSUER OPERATES**

### ***4.2.1 Risks associated with the business sector of the target company(ies)***

## **RISK FACTORS**

SPAXS' investment activity will be aimed at creating an Italian operator in the banking and/or financial sector that mainly deals with:

- (i) the provision of banking and/or financial services to businesses, mainly Mid Corporate customers (including low rating/unrated businesses) both performing and classified as "unlikely to pay", among which invoice lending, crossover lending and turn-around services;
- (ii) non-performing loans, through the purchase and management of secured and unsecured bad loans (both credit portfolios and individual credits), including through the implementation of an advanced servicing platform. The servicing platform may also be used for purposes of servicing portfolios owned by other operators; and
- (iii) the offer to retail investors of highly digitalised banking and/or financial services.

The aforementioned project will be achieved through **(a)** business combination (through acquisition of a majority or 100% shareholding, merger or other extraordinary transaction) of one or more small and medium-sized Italian unlisted companies authorised to operate (pursuant to the applicable regulations) in the banking and/or financial services market, and **(b)** subsequent use of the Issuer's financial resources to significantly increase the equity of the aforementioned target(s) and support a growth and development strategy, including along external lines.

For the purpose of implementing the investment project, SPAXS has not forecast any acquisition of minority or non-controlling shareholdings in the capital of large banking and/or financial operators.

In any event, in order to be able to implement its development strategy, SPAXS will evaluate the possibility and/or the opportunity to direct its investment activity – in majority or minority shareholdings – also towards companies operating in sectors that are ancillary, subsidiary and/or connected to those indicated above, in consideration of the interest, prospects and potential of those companies.

It should be noted, even at this point, that the implementation of the investment project described above could entail (due to the nature of the activities potentially carried out by any target company(ies) in the Material Transaction and by the Issuer itself) the Company's obligation to obtain from the competent authorities (including the Bank of Italy) the permits, authorisations and/or permissions required for this purpose pursuant to the applicable laws and/or regulations, and that this obligation could delay and/or negatively affect the execution of the Material Transaction.

Consequently, as of the Trading Admission Document Date, the type, nature and risk profile that the Company will assume following the completion of any Material Transaction will be the same as those indicated for the sectors referred to above.

Also following the implementation of the Material Transaction, the Company's results, as well as the risks related to the Company, will mainly depend on the activities performed by the target company(ies) involved in the investment in this sector.



## **RISK FACTORS**

As part of the process of identifying and selecting one or more potential targets, the Company's Board of Directors will attempt to correctly assess all the risks relating to the activity and the sector of the target company(ies); however, also due to certain variables beyond SPAXS' control, we cannot guarantee that the Company will be able to control and/or mitigate some of these risks. Furthermore, the Company cannot guarantee that the investment in Ordinary Shares and Conditional Share Rights is a more profitable investment compared to a hypothetical direct investment in the target's share capital.

The Company will specifically assess the structure of the Material Transaction in relation to each investment opportunity. Once this process has been completed, the Company will be subject to all typical risks (such as, without limitation, economic, equity, financial, management, competitive, legal and environmental risks) related to the target's activity and to the sector in which it operates.

For more information, please refer to Chapter One, Section 6 of the Trading Admission Document.

### ***4.2.2 Risks associated with investing in unlisted companies***

After amending its corporate purpose, the Issuer has planned to invest in Italian unlisted companies.

The risks associated with investments in this type of financial instruments are generally higher than those associated with investments in listed securities, especially considering the lack of liquidity and the related available information.

While taking all appropriate precautions in selecting the target company(ies) in which to invest, the Issuer cannot guarantee the absence of risks mainly related to the valuation of these investments, considering the possibility that these unlisted companies might not have implemented, or adequately developed, control systems similar to those required for companies with listed securities. As a result, a flow of information at least equal, quantitatively and qualitatively, to that available for the latter might not be available.

For more information, reference is made to Chapter One, Section 6 of the Trading Admission Document.

### ***4.2.3 Risks associated with other parties competing in relation to the Material Transaction***

SPAXS will deal, both on the national and international market, with other companies with a similar organisation and compete with Italian and foreign specialised operators pursuing business goals similar to its own (such as institutional investors, private equity firms, collective investment funds or companies in the various economic sectors in which the Company intends to invest).

The Company's competitiveness is based solely on its ability to identify one or more target companies with which to perform the Material Transaction. In this regard, it should be noted

## **RISK FACTORS**

that the presence of competitors could negatively affect the Company's activities and results, as these operators might have, depending on the case, greater resources and/or more developed sector-specific skills than those available to the Company.

Furthermore, aspects such as (i) the approval by the Board of Directors, pursuant to Article 19 of the Articles of Association, of the proposal to the Shareholders' Meeting to carry out the Material Transaction; (ii) the necessary approval by the Company's Shareholders' Meeting of the Material Transaction, which could delay the implementation of the transaction; (iii) any exercise of the right of withdrawal that could reduce the financial resources available for carrying out the Material Transaction or prevent the approval of the same by the Ordinary Meeting; and (iv) the conversion of the Special Shares and the ensuing dilutive effect on the Company's capital after implementing the Material Transaction, in light of which the members of the identified target(s) may not express a favourable opinion in relation to the Material Transaction, could place the Company in a position of competitive disadvantage compared to competitors.

For more information, see Chapter One, Section 6, of the Trading Admission Document.

### ***4.2.4 Risks associated with the economic and financial situation***

The future performance of SPAXS will be influenced by the performance of the banking and financial services sectors, which, in turn, reflect the performance of the Italian economy, first and foremost, and, consequently, of the European and global economy.

Banking and financial services sectors are regulated sectors where regulations play a key role and can change significantly over time. Furthermore, political choices at the national and supranational level can be as influential as they are unpredictable.

## **4.3 RISK FACTORS LINKED TO THE OFFER AND TO THE ADMISSION OF THE OFFERED FINANCIAL INSTRUMENTS TO TRADING ON THE AIM**

### ***Risks common to the Special Purpose Acquisition Company (SPAC)***

#### ***4.3.1 Special Characteristics of the Investment in the Issuer's Financial Instruments***

The investment in the Issuer's financial instruments must be considered an investment intended for a sophisticated investor, who is aware of the characteristics of the financial markets and especially of the type of activity carried out by the Issuer, which is characterised by special risks of an entrepreneurial nature.

Therefore, the risk profile of such investment cannot be considered consistent with the one that is typical of savers looking for low risk investments.

For additional information on the characteristics of the Issuer's financial instruments, please refer to Chapter Two, Section 4 of the Trading Admission Document.

## **RISK FACTORS**

### ***4.3.2 Risks linked to trading on AIM Italia, to the liquidity of the markets and to the potential volatility of the Price of the Ordinary Shares and the Issuer's Conditional Share Rights***

The Ordinary Shares and the Issuer's Conditional Share Rights will not be listed on an Italian regulated market and, despite the fact that they will be listed and traded on the AIM Italia multilateral trading system, the establishment or the maintenance of a liquid market for the Ordinary Shares and the Company's Conditional Share Rights cannot be excluded. Therefore, there is also a possibility that such securities may develop some common and generalised problems of liquidity, independently from the Issuer and from their amount, since the sale requests might not find suitable and timely purchase offers, as well as possibly being subject to (significant) price fluctuation.

Furthermore, following admission to trading on the AIM Italy, the market prices of the Ordinary Shares and of the Issuer's Conditional Share Rights may fluctuate significantly due to a series of factors, some of which fall outside of the Issuer's control, and therefore the market price may not reflect the Company's operating results.

An investment in financial instruments traded on the AIM Italy may involve a risk that is higher than that associated with financial instruments listed on a regulated market. Furthermore, it should be noted that neither Consob nor Borsa Italiana have reviewed or approved this Trading Admission Document.

With reference to the AIM Italia market, it must be noted that starting from the moment when the shares issued by the Company are admitted to the trading on AIM Italia, the provisions concerning the public offer for the purchase or exchange provided by Articles 106 and 109 of the TUF, voluntarily and insofar as they are compatible, will find application. In this regard, it should be noted that the Issuer's Articles of Association include a reference to the aforementioned provisions concerning listed companies, as implemented by the TUF and the implementing regulations issued by Consob on mandatory public offer for purchase and exchange.

Furthermore, in light of the fact that a significant percentage of the market capitalisation and of the exchange volumes of the AIM Italia is represented by a limited number of companies, it cannot be excluded that possible fluctuations in the market values of such companies may have a significant effect on the price of the instrument admitted to trading on such market, including, therefore, the Ordinary Shares and the Conditional Share Rights.

For additional information, please refer to Chapter Two, Section 4 of the Trading Admission Document.

### ***4.3.3 Risks linked to the possibility of withdrawing the Ordinary Shares and the Conditional Share Rights from trading***

Pursuant to the AIM Rules for Companies, Borsa Italiana may order the withdrawal of the Ordinary Shares and the Conditional Share Rights from trading, if:

- (a) the Issuer does not replace the Nomad within 2 months from the date when the trading was suspended due to supervening absence of the said Nomad;

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- (b) the financial instruments have been suspended from trading for at least 6 months;
- (c) the withdrawal has been approved by a number of shareholders representing at least 90% of the shareholders' voting rights represented at the meeting.

In such case, negative consequences may develop with regard to both liquidity of the investment and lack of information on the Issuer.

### Specific risks linked to the Issuer

#### **4.3.4 Actual amount of the Ordinary Shares issued and of the capital raised**

The regulation of the Offer (payment of the price of the Ordinary Shares by the investors against delivery of the Ordinary Shares) will take place on the Trading Start Day scheduled for 1 February 2018.

Such regulation is not guaranteed by any underwriting. Therefore, if upon settlement of the offer some investors do not fulfill their order (commitment to execute) or if the number of accessions is lower than the Offer, then the capital of SPAXS that has been actually paid-up could be lower than the maximum amount of the Capital Increase and the number of Ordinary Shares actually issued could be lower than the maximum no. 60,000,000 of Ordinary Shares.

For additional information, please refer to Chapter 1, Section 15, Paragraph 15.1.6 of the Trading Admission Document.

#### **4.3.5 Risks of dilution linked to the conversion of the Special Shares**

On the Trading Start Day, the Promoting Companies will hold all the Special Shares of the Company, amounting to a maximum of no. 1,800,000 Special Shares, that have not been listed on the AIM Italy and convertible into Ordinary Shares of the Company upon fulfillment of the conditions and pursuant to the procedures set out under Article 6 of the Articles of Association (in this regard, please refer to Section 15, Paragraph 15.2.3 below of the Trading Admission Document).

It should be noted that conversion of the Special Shares into Ordinary Shares, following fulfillment of the Material Transaction, will determine, for holders of the Ordinary Shares, a dilution of their shareholding. For information on the characteristics and procedures of conversion of the Special Shares, please refer to Chapter 1, Section 15, Paragraph 15.2.3 of the Trading Admission Document.

The following table shows the aforementioned diluting effects, at the various offer levels, in case of conversion of the Special Shares following implementation of the Material Transaction, calculated on the basis of different withdrawal percentages.

For additional information, please refer to Chapter Two, Section 7, Paragraph 7.1 of the Trading Admission Document.

## RISK FACTORS

Dilution effects per Ordinary Share (data in € per Ordinary Share)			
Collection	EUR 600 million		
Trigger		Material Transaction	Price for Ordinary Share €15
Special Shares Conversion Percentage		20%	80%
Special Shares Converted into Ordinary Shares		360,000	1,800,000
Ordinary Shares Withdrawal Percentage			
	0%	€ 0.45	€ 1.75
	5%	€ 0.47	€ 1.83
	10%	€ 0.49	€ 1.91
	15%	€ 0.52	€ 2.00
	20%	€ 0.55	€ 2.09
	25%	€ 0.58	€ 2.20
	30%	€ 0.62	€ 2.32

### 4.3.6 Risks linked to the deferred issue of the additional 4 Conditional Share Rights

Pursuant to the Conditional Share Rights Regulation, no. 1 of the no. 5 Conditional Share Rights shall be issued every no. 10 Ordinary Shares subscribed in the context of the Offer and shall start to trade on AIM Italia separately from the Ordinary Shares on the Trading Start Day, while the right to receive the additional no. 4 Conditional Share Rights to be assigned every no. 10 Ordinary Shares is incorporated in the Ordinary Shares themselves and will circulate with the Ordinary Shares up until the effective date of the Material Transaction, to be determined consistently with the calendar of Borsa Italiana.

On such date, the additional no. 4 Conditional Share Rights shall be issued, assigned to the holders of Ordinary Shares based on the aforementioned relationship and shall start to trade separately from the Ordinary Shares. Therefore, at the Trading Start Day, those that will have executed Ordinary Shares will also hold no. 1 Conditional Share Right and, should they exercise their right of withdrawal or sell their Ordinary Shares before the effective date of the Material Transaction, they will lose the right to receive the additional no. 4 Conditional Share Rights.

For additional information, please refer to Chapter Two, Section 4, of the Trading Admission Document.

### 4.3.7 Risks linked to the lock-up commitments taken on by the Promoting Companies

The Promoting Companies shall take on a *lock-up* commitment towards the Joint Global Coordinators in relation to the Ordinary Shares of the Issuer deriving from the conversion of Special Shares that will be assigned to the Promoting Companies and/or to other Companies

## **RISK FACTORS**

directly and/or indirectly controlled by the Promoting Companies and/or the Promoters (the “**Lock-up Shares**”).

Upon expiration of the Lock-up Shares, it cannot be excluded that the Promoting Companies may proceed to sell the Ordinary Shares held with a possible adverse effect on the price trend of the Ordinary Shares.

For additional information, please refer to Chapter Two, Section 5, Paragraph 5.3, of the Trading Admission Document.

### **4.3.8 Risks linked to conflicts of interest**

Banca IMI, acting as Nomad, Specialist, Joint Global Coordinator and Joint Bookrunner, Credit Suisse, acting as Joint Global Coordinator and Joint Bookrunner, and Equita, acting as Joint Bookrunner, shall carry out the placing of the Ordinary Shares and the Conditional Share Rights included in the Offer and shall be paid fees in relation to said roles taken on in the context of the Offer, as follows: (i) subject to the completion of the listing, a fee equal to EUR 3,333,333.00; and (ii) in case of realization of a Material Transaction and subject to the completion of the same Material Transaction, a further fee equal to EUR 6,666,667.00.

Furthermore, Banca IMI (and/or one of the other Companies of the Intesa Sanpaolo Banking Group (“**ISP Group**”)), Credit Suisse (and/or one of the other companies of the Credit Suisse Banking Group (“**CS Group**”)) and Equita (and/or one of the companies controlled by this latter company and/or one of its affiliates (“**Equita Group**”)), during its normal operation, will be allowed to subscribe in the context of the Offer of Ordinary Shares and Issuer’s Conditional Share Rights, may provide in the future trading, lending, investment banking, asset management and corporate finance services, also on an ongoing basis, to the Issuer and/or the Promoting Companies, for consideration, and trade, on their own behalf or on behalf of their clients, financial instruments issued by the Issuer and/or by the Promoting Companies and/or other entities of the corresponding group.

CS, directly or indirectly through a subsidiary and/or affiliate and/or other companies of the CS Group, has subscribed for an aggregate amount of no. 4,600,000 of Ordinary Shares and an aggregate amount of no. 460,000 Issuer’s Conditional Share Rights in the Offer in connection with a purchase order from an institutional investor and such institutional investor’s undertaking to subsequently purchase from CS such Ordinary Shares and Issuer’s Conditional Share Rights at the same price and upon the same terms and conditions as those that applied to the Offer. Therefore, immediately after completion of the Offer, CS will hold, directly and/or indirectly, for a certain period of time, interests in the share capital of the Company.

Finally, Fideuram – Intesa Sanpaolo Private Banking S.p.A., a Gruppo Intesa Sanpaolo company, shall act as Placing Agent engaged by the Issuer and shall be entitled to receive the relevant fee.



## 5. INFORMATION ON THE ISSUER

### 5.1 History and development of the Issuer

#### 5.1.1 *The Issuer's Name*

The Company was established on 20 December 2017 as a Joint-Stock Company (*Società per Azioni*) under the name "SPAXS S.p.A.", with Share Capital of EUR 50,000.00, with deed drawn upon by Notary, Mr. Carlo Marchetti, Index No. 14216, Collection No. 7514.

#### 5.1.2 *Issuer's place of registration and registration number*

The Company is registered with the Milan Companies Register with no. 10147580962.

#### 5.1.3 *Issuer's Date of Incorporation and Duration*

The Company was incorporated on 20 December 2017.

Pursuant to Article 4 of the Articles of Association, the Company's term has been established until the earliest in time of the following dates: (i) 31 July 2020 and (ii) the end of the 18<sup>th</sup> calendar month following the Trading Start Day, without prejudice to the fact that, if on the aforementioned date an agreement has been executed for the implementation of the Material Transaction that is notified to the market pursuant to applicable laws, the Company's duration shall be automatically extended until the expiration of the 6<sup>th</sup> calendar month following such date.

#### 5.1.4 *Issuer's Registered Office and Type of Company, applicable laws, country of incorporation, address and telephone number of the head office*

SPAXS is a Joint-Stock Company (*Società per Azioni*) established under the Laws of Italy and operating according to Italian law.

The Company has its registered office in Milan, Via Mercato no. 3, tel. +39 02 36596000.

#### 5.1.5 *Relevant Facts in the Development of the Issuer's Activity*

SPAXS is a special purpose acquisition company ("SPAC") incorporated in Italy. The SPACs are corporate vehicles, including only cash, specifically established to find, through the placement of the corresponding financial instruments to investors and the subsequent admission to trading on the AIM Italia, the necessary and functional financial resources to implement, after carrying out the necessary research and selection activity, the Material Transaction with one or more operating companies ("target").

SPAXS was established on 20 December 2017 as a Joint-Stock Company under the name "SPAXS S.p.A.", with a share capital of EUR 50,000.00, with deed drawn upon by Notary, Mr. Carlo Marchetti, Index No. 14216, Collection No. 7514.

On 17 January 2018, the Issuer's Shareholders' Meeting approved new Articles of

Association (subsequently amended on 25 January 2018), in order to, among other things, update the provisions of the Articles of Association to the current laws concerning companies with financial instruments admitted to trading on the AIM Italy.

The Issuer's corporate purpose provides for the research and selection of possible acquisitions of shares in other company/ies and of other forms of possible merger of the Company with other company/ies, to be implemented after the Trading Start Day through, including, but not limited to, mergers with the chosen company/ies, acquisitions pursuant to any method allowed by law (including the subscription of capital increases and the sale and purchase) of shareholding in the chosen company/ies and/or contributions, as well as their implementation with any method allowed by law and only following the prior amendment of the Company's company purpose, as resulting, from time to time, from the Articles of Association. For this purpose, the Company will be allowed to, among other things, acquire majority or minority shareholdings as well as participating financial instruments. In any case, any advisory activity in matters of investments reserved to special subjects or any other activity reserved by law to specific entity is excluded.

The Company is allowed to perform all the instrumental operations that will be deemed useful by the Board of Directors for the fulfillment of the corporate purpose, to the exclusion of reserved financial activities to the public and of other activities that are reserved by law.

The actual implementation of the Material Transaction is subject to prior approval by the Shareholders' Meeting and to the subsequent amendment of the Issuer's corporate purpose. In this regard, please refer to Section 15, Paragraph 15.2.2 of the Trading Admission Document.

SPAXS's investment activity will be aimed at establishing an Italian operator in the banking and/or financial sector that will be active primarily in the following sectors:

- (i) the provision of banking and/or financial services to corporate clients and especially to "Mid Corporate" clients (including companies with low rating/no rating) including those "performing" as well as those classified as "unlikely to pay", that includes, invoice lending, crossover lending and turn around services;
- (ii) in the market of non-performing loans, through the purchase of secured and unsecured "bad loans" (both loan portfolios and single credit securities) and their management also through the establishment of an advanced servicing platform. The servicing platform will also be used for the servicing of portfolios owned by other operators; and
- (iii) the offer to retail savers of highly digitalized banking and/or financial services.

The aforementioned project will be implemented through (a) concentration of companies (through the acquisition of majority or totality shareholdings, fusion or other extraordinary transaction) between one or more non-listed, small and medium-size companies that are authorised to operate (pursuant to applicable laws) in the market for banking and/or financial services and (b) the subsequent use of the Issuer's financial resources to implement a strong capitalisation of the aforementioned target company/ies and to sustain a growth and development strategy also through external influences.

In order to carry out this investment project, SPAXS does not plan in any case to resort to the



acquisition of minority or non-controlling shareholdings in the capital of large banking and/or financial operators.

In any case, in order to be able to implement its development strategy, SPAXS will consider the possibility and/or opportunity to direct its own – minority and/or majority – investment also towards companies that operate in sectors that are ancillary, accessory and/or linked to those indicated in the foregoing in consideration of the interest, perspectives and potential of such companies.

The Company, in order to gather the financial resources that are necessary to implement the Material Transaction and to carry out the project described in further detail in Chapter 6, Section 1 below of this Trading Admission Document, intends to implement the placing and admission to trading on AIM Italy, for a maximum of no. 60,000,000 Ordinary Shares and for no. 30,000,000 Conditional Share Rights.

The Offer will be concerned with financial products for a minimum value of at least EUR 100,000.00 (corresponding to a minimum of no. 10,000 Ordinary Shares) for each investor and for each separate Offer.

The Offer is targeted exclusively at: (i) professional investors as defined by Articles 100 of the TUF and 34-ter, paragraph 1, letter b), of Regulation 11971, and to foreign institutional investors pursuant to Regulation S of the United States Securities Act of 1933 (to the exclusion of Australia, Canada, Japan and United States of America) and (ii) investors other than investors under (i), through procedures that, in both quality and/or quantity, will allow the Company to avoid application of the provisions concerning public offers of financial instruments as set out in Articles 100 TUF and 34-ter of Regulation 11971.

#### Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (“**MiFID II**”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the “**MiFID II Product Governance Requirements**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the ordinary shares and the conditional share rights of SPAXS (the “**Securities**”) have been subject to a product approval process, which has determined that such Securities are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “**Target Market Assessment**”).

Notwithstanding the Target Market Assessment, Distributors should note that: the price of the Securities may decline and investors could lose all or part of their investment; the Securities offer no guaranteed income and no capital protection; and an investment in the Securities is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or

regulatory selling restrictions in relation to the Offer. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Manufacturers will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Securities.

Each distributor is responsible for undertaking its own target market assessment in respect of the Securities and determining appropriate distribution channels.

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It should be noted that the Conditional Share Rights shall be assigned as follows:

- (i) no. 1 Conditional Share Right will be assigned free of charge every no. 10 Ordinary Shares executed in the context of the Offer and will be tradable on AIM Italy separately from the Ordinary Shares starting from the Trading Start Day;
- (ii) no. 4 Conditional Share Rights will be assigned free of charge every no. 10 Ordinary Shares issued and outstanding as of the effective date of the Material Transaction (in any case, save for any Ordinary Share held by the Company) and will be issued on the effective date of the Material Transaction. The right to receive such Conditional Share Rights is incorporated in the aforementioned Ordinary Shares and will circulate with them up until the effective date of the Material Transaction, which will be determined consistently with the calendar of Borsa Italiana, starting from which, the additional Conditional Share Rights will be traded separately from the Ordinary Shares.

The Ordinary Shares and the Conditional Share Rights derive from the resolutions approved by the Shareholders' Meeting of the Company on 17 January 2018 and on 25 January 2018. For additional information on the Ordinary Shares and the Conditional Share Rights, please refer to Chapter Two, Section 4, of the Trading Admission Document.

On the Trading Admission Document Date, the Company's share capital, fully subscribed and paid, amounts to EUR 50,000.00, divided into no. 5000 Ordinary Shares, without indication of their nominal value.

On the Trading Start Day, the Company's share capital, fully subscribed and paid-up, will amount to EUR 61,800,000.00 divided into no. 60,000,000 of Ordinary Shares and into no. 1,800,000 Special Shares, all without indication of their nominal value.

On 15 January 2018, the Company proceeded to send to Borsa Italiana the pre-admission notice pursuant to Article 2 of the AIM Rules for Companies and requested admission of its Ordinary Shares and its Conditional Share Rights to trading on AIM Italy.

The Company completed the procedure on 25 January 2018 by filing with Borsa Italiana its application for admission and its Trading Admission Document and on 29 January 2018 by filing with Borsa Italiana the updated version of the pre-admission communication.

Admission of the Ordinary Shares and of the Issuer's Conditional Share Rights on the AIM Italy is scheduled for 30 January 2018. The Trading Start Day is scheduled for 1 February

2018.

## **5.2 Investments**

### **5.2.1 *Description of the main investments carried out by the Issuer during every financial year to which the financial information refers***

Since the Issuer is a recently-established company, it has not carried out any investment in the period between its establishment and the Trading Admission Document Date.

### **5.2.2 *Description of the main investments currently under implementation***

Since the Issuer is a recently-established company, as of the Trading Admission Document Date, the Issuer's Board of Directors has not yet resolved in favour of carrying out investments.

### **5.2.3 *Description of the main future investments planned by the Issuer***

As of the Trading Admission Document Date, the Company has not taken on any final and/or binding commitment for the implementation of specific future investments.

## 6. OVERVIEW OF THE ACTIVITIES

### 6.1 Main Activities

#### 6.1.1 *Description of the Issuer's main activities*

The Issuer is a special purpose acquisition company (“SPAC”). SPACs are corporate vehicles, specifically established to find, through the placement of the corresponding financial instruments to investors and the subsequent admission to trading on the AIM Italia, the necessary and functional financial resources to implement, after carrying out the necessary research and selection activity, the Material Transaction with one or more operating companies (“target”). SPACs, therefore, up to the date of the Material Transaction, comprise only cash (“shell companies”).

In fact, the Issuer’s corporate purpose provides for the research and selection of possible acquisitions of shareholdings in other company/ies and of other possible types of aggregations by the Company with other company/ies, to be implemented after the Trading Start Day through, including, but not limited to, mergers with the chosen company/ies, acquisitions pursuant to any method allowed by law (including the subscription of capital increases and sale and purchases) of shareholdings in the chosen company/ies and/or contributions, as well as their implementation through any method allowed by law and only after the prior change of the Company’s corporate purpose, as resulting, from time to time, from the Articles of Association. For this purpose, the Company will be able to, among other things, acquire majority or minority shareholdings as well as participating financial instruments. In any case, any advisory activity in matters of investments reserved to special entities or any other activity reserved by law to specific entities is excluded.

As of the Trading Admission Document Date, the Company is not considering any Material Transaction, nor intends to start any negotiation with any target Company until the Trading Start Day.

It is foreseen that, after the Trading Start Date, the Company will perform the activity of research and selection of possible target Companies with which it would implement a Material Transaction, as well as perform any instrumental and/or necessary operations or action to complete the same Material Transaction, to the exclusion of reserved financial activities to the public and, in general, of other activities that are reserved by law. Without prejudice to these limits, the Company will be able to acquire majority or minority shareholdings, as well as participating financial instruments.

The actual implementation of the Material Transaction is subject to prior approval by the Shareholders’ Meeting and to the subsequent amendment of the Issuer’s corporate purpose. In this regard, please refer to Section 15 of the Trading Admission Document

Due to these characteristics, the investment in the Company’s Shares may be of interest to investors seeking to take advantage of the opportunities offered by medium-size Italian companies, without being subject to the limits that are typical of investments in private equity activities.

#### 6.1.2 *Key factors of the Company*

SPAXS’ purpose is to create value for its shareholders by relying on the competence and

experience of its Promoters and by meeting market needs that are currently only partially met and by best interpreting the special features of the SPACs as investment instruments.

- Factors linked to the Promoters: The Promoters intend to assume the managing control of the target(s), covering key management roles of the combined entity, with Corrado Passera that will act as Managing Director and four promoters/managers with direct relations, comprising highly skilled team with proved professionalism and competency, with an exceptional network whose interests strongly align with those of the investors.  
With their track record it is possible to anticipate that they will be able to gather around SPAXS' entrepreneurial project some of the best talents available on the market.
- Factors linked to the investment sector: the banking sector and the area of financial services in general are undergoing deep changes linked to a faster and more extensive development than originally expected both from a technology and regulatory standpoint. In the next years, it will be of fundamental importance for new banking and non-banking operators to meet the demand of specific client segments (specialised banking), to take advantage of the opportunities offered by new technologies (platform banking) and will avoid situations where they will be slowed down by restructuring operations involving their current business and organizational models (deleveraging, closure of secondary branches, reduction of costs, "cleaning" of the credit portfolios, etc.). More specifically, Promoters undertake to:
  - provide their best services to the small- and medium-size corporate segment with potential for growth, even if the rating of such companies is not high or they are not rated. This category of business seldom finds adequate support from either traditional operators or new entries in the market;
  - actively participate to the growing market for UTPs, by contributing to bringing back to performing level small- and medium-size businesses that are currently struggling and that many traditional operators tend to exclude from their financial statements (the Italian market for UTPs is destined to become one of the primary European markets for these kinds of transaction);
  - actively participate with the Italian market of non-performing loans, by focusing on the small- and medium-size businesses segment (with regard to both primary and secondary markets and secured and unsecured positions) which will continue to represent one of the largest and more dynamic of Europe;
  - offer a series of highly competitive, digital banking services to families and businesses by enhancing the possibility to offer more innovative technologies without being bound by information systems accumulated over time.

The choice pertaining to the investment sector is based on the possibility to better capitalise the professional skills of the Promoters, unique in Italy, thereby maximising the value creation for the investors.

- Factors linked to the investment in SPACs: in addition to the typical advantages

characterising other SPACs, SPAXS offers an especially clear alignment between the interests of the Promoters and those of the investors (e.g., the Promoting Companies are allowed to convert 80% of their Special Shares only after reaching a market price equal to EUR 15.00; Promoting Companies undertake a lock up agreement concerning the Ordinary Shareholders originating from the aforementioned conversion of the Special Shares and a duration of 12 months following the same conversion).

### 6.1.3 Investment policy

The Company intends to pursue and carry out its investment policy in compliance with the guidelines and criteria set out – by way of non-limiting examples – further below.

Therefore, the Company's Board of Directors will be able to choose and present to Shareholders investment opportunities in one or more target companies that meet, even just in part, various guidelines and investment criteria.

#### 6.1.3.1 Geographical, sector, and dimension requisites of the target company/ies subject to investment

SPAXS's investment activity will be aimed at establishing an Italian operator in the banking and/or financial sector that will be active primarily in the following sectors:

- (i) the provision of banking and/or financial services to companies and especially to "Mid Corporate" clients (including those with low rating/no rating), both performing and classified as "unlikely to pay", including invoice lending, crossover lending and turn around services;
- (ii) in the market of non-performing loans, through the purchase of secured and unsecured "bad loans" (both loan portfolios and single credit securities) and their management also through the establishment of an advanced servicing platform. The servicing platform will also be used for the servicing of portfolios owned by other operators; and
- (iii) the offer to retail savers of highly digitalised banking and/or financial services.

The aforementioned project will be implemented through **(a)** concentration of companies (through the acquisition of majority or totality shareholdings, fusion or other extraordinary transaction) between one or more non-listed, small- or medium-size companies that are authorised to operate (pursuant to applicable laws) in the market for banking and/or financial services and **(b)** the subsequent use of the Issuer's financial resources to implement a strong capitalisation of the aforementioned target company/ies and to sustain a growth and development strategy also for external lines.

In order to carry out this investment project, SPAXS does not plan in any case to resort to the acquisition of minority or non-controlling shareholdings in the capital of large banking and/or financial operators.

In any case, although the aforementioned sectors are of primary importance to the company,



in order to be able to seize the best investment opportunities available on the market, SPAXS will consider the possibility and/or opportunity to direct its investment activity also towards companies operating in sectors that are ancillary, accessory and/or connected to those indicated in the foregoing, through the acquisition of controlling or minority shareholdings – to the exclusion of investments in any other different sector –, in consideration of the interest, prospective and potential of such companies.

#### 6.1.3.2 Types of investment transactions and types of assets concerning the investment

SPAXS plans to carry out an investment activity aimed at establishing a banking and/or financial operator suitable to synergically meet three specific market needs that presently are not fully met in Italy by traditional and non-traditional operators:

- provision of banking and/or financial services to “Mid-Corporate” clients, (including clients with low rating and/or no rating), classified as “in *bonis* (performing)” or “Unlikely to pay”. These clients, characterised by loan needs that are not entirely met by the existing channels, will be guided by a managing team of proven experience, able to understand industrial profiles and offer products that include invoice lending, cross-over lending and turn around.
- acquisition of guaranteed/non-guaranteed non-performing loans and their management through an in-house, state-of-the-art servicing platform, in order to maximize value creation. The servicing platform will also be used for the servicing of portfolios owned by other operators.
- the offer of simple and clear banking and/or financial services to retail clients through the development of a digital platform of excellence and of partnerships with other operators for products that will not be offered in-house.

It must be noted that the above criteria are provided only as non-limiting examples. Therefore, even investment opportunities in companies that meet, only in part, the aforementioned criteria may be selected and brought to the attention of the Company’s Shareholders.

#### 6.1.3.3 Methods of financing of the Material Transaction

As of the Trading Admission Document Date it is not possible to precisely determine the size requirements of the companies interested by the investment. By way of indication, the Issuer, will especially focus its attention, on small-size companies in order to develop a concentration of companies with them (through the acquisition of a majority shareholding or of the totality of the shares, a merger or other extraordinary transaction). It is in any case understood that the financial resources of the Issuer that will not be used to these purposes will be used by the Issuer in the subsequent capitalisation of the relevant target company/ies and to support the growth and development strategy.

#### 6.1.3.4 Selection, review and approval of the investment transactions

The identification of possible investment opportunities will be carried out by SPAXS' management and directors, also with the support of possible advisors that will be paid according to market practice.

In assessing possible investment opportunities, the Company plans to conduct a thorough due diligence activity in areas from time to time deemed relevant and including, but not limited to, business, legal, financial, economic, tax and environmental aspects. In order to suitably perform scouting, due diligence, structuring and implementing activities in relation to the Material Transaction, the Company will resort to external consultants that will be paid market term fees.

#### 6.1.3.5 Procedure for the implementation of the Transaction and Shareholders' Right of Withdrawal

The chosen investment opportunity will be presented by SPAXS's Board of Directors to the Shareholders' Meeting that will be convened to approve the Material Transaction.

Pursuant to the Articles of Association, the proposal of Material Transactions that is to be presented to the Shareholders' Meeting is reserved to the competence of the Board of Directors.

Article 15 of the Articles of Association provides that the resolutions of the Shareholders' Meeting of the Shareholders approving the Material Transaction is subject to the fulfillment of both the following conditions subsequent: **(a)** exercise of the right of withdrawal by a number of shareholders representing at least 30% of the ordinary share capital, if these shareholders did not vote in favour of the changes to the corporate purpose that are necessary to implement the Material Transaction; and **(b)** completion of the liquidation procedure for such withdrawing shareholders under Article 2437-*quater* of the Italian Civil Code by refund or annulment of a number of shares equal to at least 30% of the Company's Ordinary Shares. Therefore, it is understood that if the withdrawal right is exercised by a number of shareholders representing more than 30% of the ordinary capital but, at the outcome of the option offer and/or of the placing to third parties of the shares of the withdrawing shareholders under Article 2437-*quater* of the Italian Civil Code, the Company refunded or annulled a number of Ordinary Shares representing less than 30% of the ordinary share capital, the condition subsequent will be deemed as unfulfilled.

It is worth recalling that the Special Shares held by the Promoting Companies are not assisted by voting rights for purposes of approving the Material Transaction.

Therefore, if the right of withdrawal is exercised by a number of shareholders representing more than 30% of the ordinary share capital, but, at the outcome of the offer presented to the shareholders and of the possible placement to third parties of the shares of the withdrawing shareholders, pursuant to the aforementioned Article 2437-*quater* of the Italian Civil Code, the Company refunds or annuls a number of shares representing less than 30% of the ordinary share capital, then the condition subsequent under (b) will not be deemed fulfilled and therefore it will not be possible to implement the Material Transaction.

Conversely, if both conditions subsequent, under (a) and (b) are fulfilled, the Company will be prevented from implementing the Material Transaction and the Board of Directors of the



Company will have to initiate a new research and selection phase of other target companies in order to present the Material Transaction for approval to the Shareholders' Meeting before the Deadline.

If, before the Deadline, the Shareholders' Meeting of the Company does not approve the Material Transaction, the Company will be dissolved due to expiration of the time limits and will be liquidated.

#### *Shareholders' right of withdrawal*

Pursuant to Article 8 of the Articles of Association and relevant provisions regulating the right of withdrawal (Articles 2437 and ff. of the Italian Civil Code), the shareholders holding Ordinary Shares who did not vote in favour of the changes to the company purpose that were necessary to implement the Material Transaction will be allowed to exercise the right of withdrawal no later than 15 days from the registration date in the Register of Companies of the decision of the Shareholders' Meeting which approved the changes to the company purpose, as a result of the approval of the Material Transaction and within the terms that will be defined.

For purposes of determining the liquidation value of the Shares up to the date of implementation of the Material Transaction, pursuant to Article 8 of the Articles of Association, the Board of Directors (or the expert, in the case described by Article 2437-ter, paragraph 6, of the Italian Civil Code) in consideration of the type of company up until such date, will apply the criteria of the total assets of the Company (a criteria that is consistent with Article 2437-ter, paragraphs 2 and 4, of the Italian Civil Code) and in doing so it will especially take into account the sums deposited in the Escrow Account.

The Shareholders have the right to be informed of the shares' determined liquidation value at least 15 days before the date when the Shareholders' Meeting is convened to vote on a subject matter for which it is possible to exercise the right of withdrawal. The withdrawing Shareholders will be allowed in any case to continue to hold their Conditional Share Rights, but will lose the right to be assigned the additional Conditional Share Rights to be issued on the effective date of the Material Transaction.

If there is a failure to place the shares of the withdrawing shareholder that have been offered to the other shareholders or possibly offered to third parties, pursuant to Article 2437-quater of the Italian Civil Code, the withdrawing shareholder's shares will be purchased by the Company and refunded within 180 days from notification of the withdrawal by using available reserves, also in derogation to Article 2357, paragraph 3 of the Italian Civil Code.

#### **6.1.4 Description of the products sold and/or the services offered**

As of the Trading Admission Document Date no products or services have been introduced or it is foreseen that will be introduced in the future.

## **6.2 Context. Primary Markets**

SPAXS's goal is to carry out investment activities in the banking and/or financial sector and operate in a large reference market.

More specifically, the thousands of Mid-Corporate companies – that represent the engine of Italy's economy – provide for an overall *in bonis* (performing) credit stock of several hundreds of billions. The cross-over lending, invoice lending and UTPs represent a significant and increasing portion of that stock.

Conversely, in the coming years, the Italian non-performing bank loans market will continue to be one of Europe's largest and dynamic market. It is likely that in the following five years, the total transactions may exceed primary and secondary billion both in the primary and secondary markets.

Finally, the Retail market is a fast growing market that already relies, in the Italian system, on 3 million "Pure Digital" clients characterized by their high propensity to resort to online channels through digital or IT applications ("*apps*").

### **6.3 Exceptional factors.**

As of the Trading Admission Document Date, no exceptional events have occurred that affected SPAXS' activity.

The Company was incorporated on 20 December 2017 and does not have any prior operational history.

SPAXS, in the period between its establishment and the Trading Admission Document Date, has primarily focused on the definition of its organizational structure and on the process concerning the admission to trading on AIM Italia for the Ordinary Shares and the Conditional Share Rights.

### **6.4 Dependence of the Issuer on patents or licenses, on industrial, commercial or financial agreements, or on new manufacturing processes**

As of the Trading Admission Document Date, the Company is not dependent on any patents, trademarks or licenses, nor on commercial or financial agreements and on new manufacturing processes.

### **6.5 The Company's Competitive Position**

The Company is a Special Purpose Acquisition Company established in Italy whose Ordinary Shares and Conditional Share Rights will be admitted to trading on the AIM Italia.

SPAXS's investment activity will be aimed at establishing an Italian operator in the banking and/or financial sector that will be active primarily in the following sectors:

- (i) the provision of banking and/or financial services to corporate clients and especially to "Mid Corporate" clients (including companies with low rating/no rating) including those "performing" as well as those classified as "unlikely to pay", including, especially, invoice lending, crossover lending and turn around services;

- (ii) in the non-performing loans' market, through the purchase of secured and unsecured "bad loans" (*i.e.*, both loan portfolios and single credit securities) and their management also through the establishment of an advanced servicing platform. The servicing platform will also be used for the servicing of portfolios owned by other operators; and
- (iii) the offer to retail savers of highly digitalised banking and/or financial services.

The aforementioned project will be implemented through **(a)** concentration of companies (through the acquisition of majority or totality shareholdings, fusion or other extraordinary transaction) between one or more non-listed, small and medium-size companies that are authorised to operate (pursuant to applicable laws) in the market for banking and/or financial services and **(b)** the subsequent use of the Issuer's financial resources to implement a strong capitalisation of the aforementioned target company/ies and to sustain a growth and development strategy also through external lines.

In order to carry out this investment project, SPAXS does not foresee in any case to resort to the acquisition of minority or non-controlling shareholdings in the capital of large banking and/or financial operators.

In any case, although the aforementioned sectors are those of the utmost interest for the Company, in order for the Company to be able to intercept the best investment opportunities available on the market, SPAXS will consider the possibility and/or opportunity to direct its investment activity also towards companies that operate in sectors that are ancillary, accessory and/or linked to those indicated in the foregoing, through the acquisition of controlling or minority shareholdings – to the exclusion of investments in any other sector, in light of the interest, possibilities and potential of such companies

It should be noted that, unlike private equity operators and financial holdings, SPACs' investors: (i) do not sustain recurrent management costs; (ii) are called upon to approve the Material Transaction, with resolution of the Shareholders' Meeting, acting on a proposal of the Board of Directors; (iii) shall have the right, each one of them individually, to withdraw from the Company if they did not vote in favour of the Material Transaction; and (iv) will be allowed to liquidate the investment due to the admission to trading on the AIM Italia of the Ordinary Shares, as well as in case of dissolution and subsequent liquidation of the Company if, before the Deadline, the Material Transaction is not approved.

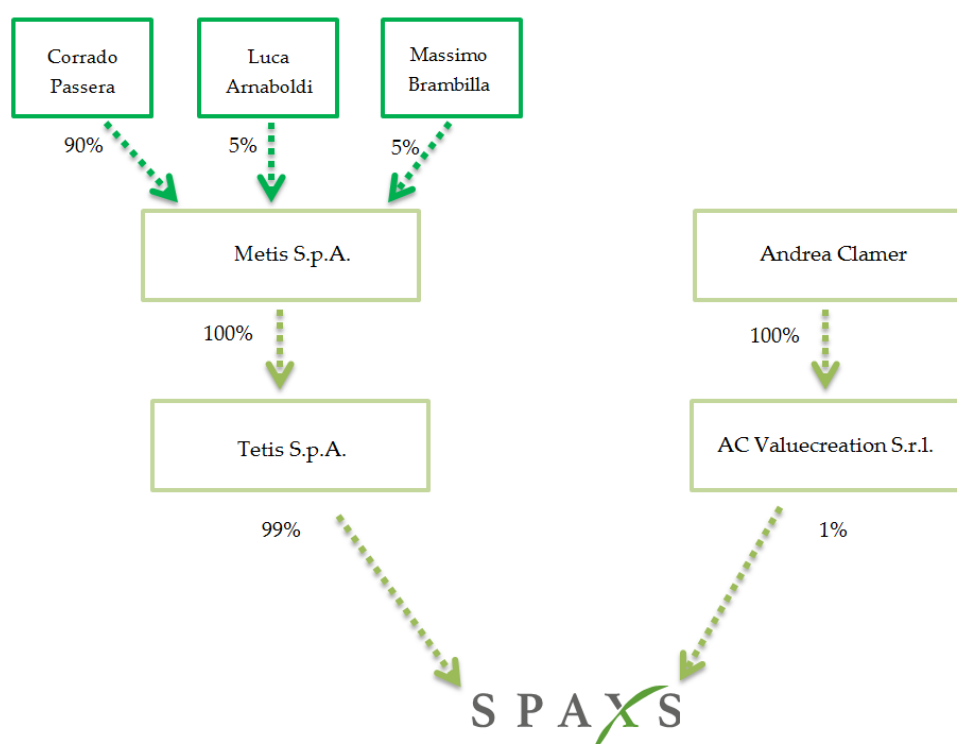
## 7. ORGANIZATIONAL STRUCTURE

### 7.1 Description of the Group to which the Issuer belongs

As of the Trading Admission Document Date, the entire share capital of the Company, amounting to EUR 50,000.00 divided into 5,000 Ordinary Shares, without indication of their nominal value, is held in full by the Promoting Companies.

On the Trading Start Day, the Promoting Companies will hold only Special Shares (for information regarding the characteristics of the Special Shares, please refer to Chapter 1, Section 15, Paragraph 15.2.3 of the Trading Admission Document).

Following is a graphic representation, at the Trading Admission Document Date, of the Company's control chain.



### 7.2 Description of the Group's companies

As of the Trading Admission Document Date, the Issuer does not hold any shareholding.

## **8. PROPERTIES, PLANTS AND EQUIPMENT**

### **8.1 Environmental Issues**

As of the Trading Admission Document Date, also in light of the activity performed by the Issuer, the Company is unaware of any environmental issues that may affect the use of the Company's existing tangible non-current assets.

**9. INFORMATION ON FORESEEN TRENDS**

**9.1 Recent trends on production, sales and stock trends and on the development of costs and sale prices**

As of the Trading Admission Document Date, the Issuer is not aware of any special information concerning trends that may reasonably have significant repercussions on the Issuer's perspectives.

**9.2 Public trends, uncertainties, requests, commitments or known facts that may reasonably have significant repercussions on the Issuer's perspectives at least for the current financial year**

As of the Trading Admission Document Date, the Issuer is not aware of any special information on trends, uncertainties, requests, commitments or facts that may reasonably have significant repercussions on the Issuer's perspectives.

## 10. ADMINISTRATIVE, MANAGEMENT OR SUPERVISORY BODIES AND TOP MANAGERS

### 10.1 Information on administrative, management or supervisory bodies and top managers

#### 10.1.1 Board of Directors

Pursuant to Article 16 of the Articles of Association, the management of the Company is assigned to a Board of Directors composed by a minimum of four (4) to a maximum of five (5) Directors, of which at least one (1) fulfilling the requirements of independence set out under Article 148, paragraph 3, of the TUF, as referred to by Article 147-ter, paragraph 4, of the TUF.

The Board of Directors in office on the Trading Admission Document Date was appointed on 12 January 2018 (pursuant to the provisions of the Articles of Association in effect at that time). The members of the Board of Directors will remain in office for 3 financial years, and more specifically until the date of the Shareholders' Meeting convened for the approval of the financial statement ending on 31 December 2020.

The members of the Board of Directors are indicated in the following Table:

First and Last Name	Office	Place and Date of Birth
Corrado Passera	Executive Chairman of the Board of Directors	Como, 30 December 1954
Andrea Clamer	Director	Milan, 23 September 1977
Massimo Brambilla	Director	Milan, 9 January 1970
Maurizio Squinzi <sup>(1)</sup>	Director	Pero (Milan), 23 May 1950

(1) *Independent Director pursuant to Article 148, paragraph 3, of the TUF, as referred to by Article 147-ter, paragraph 4, TUF.*

The members of the Board of Directors are all domiciled for office at the registered office of the Company.

Following are short *curricula vitae* (resumes) of the members of the Board of Directors, which show the competence and experience developed in the area of business management.

#### **Corrado Passera**

In 1977, Corrado Passera received his Business Economics degree from the Bocconi University of Milan. From 1978 to 1980 he was a Masters student in Business Administration at the Wharton School in Philadelphia.

His professional career started in 1980, when he joined the advisory firm McKinsey & Co, working both in Italy and abroad in reorganising and relaunching banking, insurance and

service companies. In 1985, he joined CIR and in 1988 he became the General Director.

In 1992, he became the co-Managing Director of the Olivetti Group, while in 1996 he headed Banco Ambroveneto.

In 1998, he joined Poste Italiane. However, he returned to the credit market in 2002 as Managing Director and CEO of IntesaBci, the banking group created from the merger between Banca Intesa and Banca Commerciale Italiana.

In the summer of 2006, he assisted in the merger between Banca Intesa and San Paolo IMI, which created Intesa Sanpaolo, of which he later became Managing Director and CEO.

In November 2011, he was asked to join the cabinet of the Monti government as Minister of Economic Development, Infrastructure and Transport. At the close of the parliamentary term in 2013, he ended his term in office. From June 2015, he dedicated himself to a Milan relaunch project aimed at making Milan a competitor with the most dynamic metropolitan European cities, albeit choosing to refrain from partaking in the administrative elections.

He was recognised with a “*Cavaliere del Lavoro*” medal honorary award for industry leaders by the Italian President. Furthermore, he is a member of numerous advisory boards, including the McKinsey Advisory Council, and numerous Boards of Directors of listed companies (including, Finmeccanica and Credit Agricole in Paris) and non-profit organisations (Bocconi University, Scuola Normale Superiore di Pisa, Fondazione La Scala, Fondazione Cini, International Business Council of the World Economic Forum in Geneva, Wharton School in Philadelphia, International Institute of Finance in Washington).

In 2010, he established the Encyclomedia Publishers, an editorial project with Umberto Eco to produce the first high quality “*Storia della Civiltà Europea*” History of European Civilisation.

### **Andrea Clamer**

Andrea Clamer received his Business and Economics Degree from the University of Pavia in 2002. In 2005 he received a Master in Business Administration at the Università Commerciale Luigi Bocconi and in 2016 he received a Diploma in Strategic Marketing in the banking sector at the “INSEAD” Business School.

His professional experience started at SAP Italia and as a consultant at Deloitte from 2006 until 2008.

From 2008 until 2012 he worked as Head of NPL Market in Toscana Finanza, where he gained a consolidated experience in valuing complex assets class (NPL secured and unsecured portfolio) and modeling business and financial elements.

From 2012 until 2017 he worked as Head of NPL Division of Banca Ifis. In such role he oversaw the acquisition of NPL portfolios managing the division’s partnerships with major financial institutions and other suppliers, dealing with potential national and international investors. He was also focused on optimising collection strategy, managing directly the collection platform.



Since 2017, Andrea Calmer is a member of the Board of Director of Interbanca.

### **Massimo Brambilla**

Massimo Brambilla received his Business Administration degree in 1996 from the Università Commerciale Luigi Bocconi.

From 1996 until 1997 he worked as an analyst with Tamburi & Associates.

In 1997 he was an Auditor for Reconta Ernst & Young.

From 1997 to 2002, Massimo Brambilla held the Vice President post of the Mergers and Acquisitions area as well as Head of Transaction Team for Société Générale Investment Banking.

From 2002 to 2004 he was also a Director in Euromobiliare Corporate Finance and from 2004 to 2006 he held the same office in Abaxbank.

Since 2006, Massimo Brambilla is the Managing Director Europe at Fredericks Michael & Co., in the offices of New York and London.

### **Maurizia Squinzi**

Self-employed in the finance and financial services sector. She holds and has held advisory and top-tier management positions in areas of general management, CFO (finance, administration and control) and corporate planning in complex, industrial, service and insurance companies.

She is currently a non-executive and independent Director of Maire Tecnimont S.p.A.. Previously, she was a member of the Board of Directors, Chairman of the Risks Committee and member of the Remuneration Committee at Banca Carige S.p.A. until June 2017. She was the General Director of Mittel S.p.A. until January 2015 and member of the Board of Directors and the Executive Committee of Sorin S.p.A. until April 2015.

She was a Director of Resources (financial and human) of the financial restructuring of the San Raffaele Hospital in Milan; CFO of organisational restructuring and strategic relaunch of Poste Italiane; and Group Director of planning and control during the financial and organisational restructuring of the Montedison Group.

After receiving her degree in Economics and Trade (with full marks) from the Bocconi University, she worked for over eight years at the advisory firm McKinsey & Co. in areas of finance and financial products.

#### *Powers of the Board of Directors*

Pursuant to Article 20 of the Articles of Association, the Board of Directors is granted the fullest powers for the ordinary and extraordinary management of the Company, and has the power to take all the actions that are deemed necessary to achieve the corporate purpose, except those actions that are reserved to the Shareholders' Meeting by law and by the Articles of Association. More specifically, pursuant to Article 19.6 of the Articles of Association, the Board of Directors has exclusive competence to take decisions on the following matters:

- (a) the proposal to carry out a Material Transaction;
- (b) the proposals to be presented to the Shareholders' Meeting concerning the resolutions indicated under Article 15.2(ii) and (iii) of the Articles of Association;
- (c) establishing the terms and conditions for the deposit and/or investment of the amounts deposited in the Escrow Account and/or possible changes to these terms and conditions;

Pursuant to Article 20.2 of the Articles of Association, the Board of Directors also has the power to take resolutions on: (a) the merger and de-merger, in cases provided for by law; (b) the establishment or closure of sub-offices/secondary units; (c) the choice of which Directors can represent the Company; (d) the decrease of the share capital in case of withdrawal of one or more shareholders; (e) to change the Articles of Association to make them consistent with law provisions; (f) the transfer of the head office within the Italian territory. Assignment of such powers to the Board of Directors does not exclude the concurring competence of the Shareholders' Meeting on the same subject matters.

*Powers of the Executive Chairman*

It should be noted that, upon resolution of the Board of Directors on January 12, 2018, the executive Chairman of the Board of Directors was granted the broadest necessary or appropriate powers for the ordinary management of the Company.

In particular, including but not limited to, the execution of any transaction act, also potential (such as drafting, signing or termination of contracts, the hiring of employees or personnel and the disposal of assets relating to the Company's intellectual or industrial property rights) of a value not exceeding EUR 100,000.00 per single transaction.

Offices held by the Directors

The following Table shows the main companies or non-incorporated entities, other than the Issuer, where the members of the Board of Directors have acted as members of the administrative, management or supervisory bodies, or have been shareholders, in the past 5 years, with an indication of whether such members are still in office or are still holding the shareholding.

First and Last Name	Company	Office held in the Company or shareholding held	Status as of the Trading Admission Document Date
Corrado Passera	Metis S.p.A.	Sole Director	Currently in Office
	Ca' Zampa S.r.l.	Director	Currently in Office
	Credicom Consumer Finance Bank SA (Greece)	Chairman of the Board of Directors	Currently in Office

<b>First and Last Name</b>	<b>Company</b>	<b>Office held in the Company or shareholding held</b>	<b>Status as of the Trading Admission Document Date</b>
	Metis S.p.A.	Shareholder	Currently held
	Larihotels S.p.A.	Shareholder	Currently held
	Immobiliare Venezia S.r.l.	Quotaholder	Currently held
	Como Venture S.r.l.	Quotaholder	Currently held
	Ediglobe S.r.l.	Quotaholder	Currently held
	Mediaglobe S.r.l.	Quotaholder	Currently held
	EM Publishers S.r.l.	Quotaholder	Currently held
	Club Italia Investimenti 2 S.p.A.	Shareholder	Currently held
	PetVet Holding S.r.l.	Quotaholder	Currently held
Andrea Clamer	AC Valuecreation S.r.l.	Director	Currently in Office
	Neprix S.r.l.	Shareholder/Quotaholder	Currently held
	TF sec S.r.l. under liquidation	Liquidator	No longer in Office
	Interbanca S.p.A.	Director	No longer in Office
Massimo Brambilla	Tetis S.p.A.	Sole Director	Currently in Office
	Ca' Zampa S.r.l.	Director	Currently in Office
	Metis S.p.A.	Shareholder	Currently held
	PetVet Holding S.r.l.	Quotaholder	Currently held
	Golfnspa S.r.l.	Quotaholder	Currently held
	Hexagon Group S.r.l.	Quotaholder	Currently held
Maurizia Squinzi	Maire Tecnimont S.p.A.	Director	Currently in Office
	Banca Carige S.p.A.	Director, President of the Supervisory Committee, Member	No longer in Office

First and Last Name	Company	Office held in the Company or shareholding held	Status as of the Trading Admission Document Date
		of the Remuneration Committee	
	Mittel S.p.A.	General Manager	No longer in Office
	Earchimede S.p.A.	Chairman and CEO	No longer in Office
	Fashion District Group S.p.A.	Executive Chairman	No longer in Office
	Sorin S.p.A.	Director	No longer in Office
	Sorin S.p.A.	Director and Member of the Executive Committee	No longer in Office
	Fondazione Ospedale San Raffaele	Manager of Financial and Human Resources	No longer in Office

\* \* \*

None of the members of the Board of Directors is in one of the family relationships indicated by Book 1, Title 5, of the Italian Civil Code with the other members of the Board of Directors, nor such family relationships exist between these members and the members of the Issuer's Board of Statutory Auditors.

To the best of the Company's knowledge, in the last five years without prejudice to the rules set out in further *infra*, none of the members of the Board of Directors (i) has been sentenced for crimes related to fraud or bankruptcy; (ii) has been declared bankrupt or subject to bankruptcy procedures or has been involved in bankruptcy procedures, receivership or liquidation procedure; (iii) has been officially sentenced and/or has been sanctioned by public or regulatory authorities (including relevant professional organizations) in the performance of his tasks, nor has been banned from holding the office of administrator, manager or supervisor of the Issuer or from the office of Director or manager for other companies. It is noted that on the Trading Admission Document date, the executive Chairman, Corrado Passera:

- (a) is charged, together with other individuals, in criminal proceedings (criminal proceedings General Docket No. 852/15, Court of Ivrea) on cases under Articles 590 and 589 of the Italian Criminal Code, as well as the violation of the accident prevention provisions pertaining to the exposure to asbestos of two workers of the company Ing. C. Olivetti & C. S.p.A. The charge was based on the offices held in the

above-mentioned company between 25 September 1992 and 4 July 1996. At the outset of the proceedings at first instance, the Court of Ivrea issued a sentence granting the conditional suspension of the sentence which was then appealed. The appeal is currently pending before the Turin Court of Appeal, with the hearing scheduled on 7 February 2018;

- (b) is also charged, in his previous capacity as the CEO of Banca Intesa S.p.A. and then Intesa Sanpaolo S.p.A. and together with other individuals, in criminal proceedings (criminal proceedings General Docket No. 1999/15, Court of Trani) on cases under Articles 110-640 of the Italian Criminal Code in relation to the negotiation of derivatives transactions with two companies clients of Banca Intesa S.p.A. At the outset of the proceedings a first instance, the Court of Trani found the CEO, Corrado Passera (and the other co-defendants) not guilty of the offence and issued an acquittal, because he did not commit the alleged offence. The judgment is not yet final;
- (c) has been entered into the Register of Suspected Crimes in relation to a preliminary investigation pending before the Italian Public Prosecutor Office at the Court of Ivrea, of which he has learned following a notice of extension of the deadline for preliminary investigations (however, the criminal action was neither commenced nor has notice been issued stating that the preliminary investigation has concluded). Such investigation concerns damages caused from the exposure to asbestos suffered by certain workers of the company Ing. C. Olivetti & C. S.p.A., other than those involved in the above-mentioned proceedings pending in appeal before the Turin Court of Appeal (currently, the alleged crime that has been registered is that of cases under Articles 589 and 590 of the Italian Criminal Code);
- (d) has also been registered for a crime in relation to another preliminary investigation pending before the Italian Public Prosecutor Office in Turin, of which he has learned following a notice of extension of the deadline for preliminary investigations (however, the criminal action was neither commenced nor has notice been issued stating that the investigation has concluded). Such investigation concerns an acquisition transaction of a foreign bank by the Intesa Sanpaolo Group (currently, the alleged crime that has been registered is that of cases under Articles 110, 648*bis* and 648*ter* of the Italian Criminal Code);
- (e) lastly, in his capacity as the CEO of Banca Intesa S.p.A. and Intesa Sanpaolo S.p.A., the CEO, Corrado Passera, was the suspect in criminal proceedings – and results currently the suspect in criminal proceedings before the Court of Imperia – pertaining to bank usury crimes. In relation to the above-mentioned proceedings, the Public Prosecutors have submitted requests to discontinue the case, which have been accepted by the Judges for the Preliminary Investigations and they thereby ordered the discontinuance. Regarding the proceedings still pending before the Court of Imperia, the Public Prosecutor's request to discontinue the case is pending before the

competent Judge for the Preliminary Investigations which is to be heard during the hearing scheduled for 28 May 2018.

### 10.1.2 Board of Statutory Auditors

Pursuant to Article 24.1 of the Articles of Association, on the Trading Admission Document Date, the Board of Statutory Auditors is composed of 3 Standing Auditors and 2 Alternate Auditors.

The Board of Statutory Auditors in office has been appointed by the ordinary Shareholders' Meeting held on 12 January 2018 and will remain in office until the meeting of the Shareholders' Meeting convened for approving the financial statements for the financial year ending on 31 December 2020.

As of the Trading Admission Document Date, the Board of Statutory Auditors is composed as follows:

First and Last Name	Office	Date and Place of Birth
Ernesto Riva	Chairman of the Board of Statutory Auditors	Seregno (MB), 24 April 1945
Luigi Sironi	Standing auditor	Lecco, 12 October 1961
Riccardo Foglia Taverna	Standing auditor	Trivero (BI), 16 June 1966
Paolo Baruffi	Alternate Auditor	Milano, 8 May 1959
Paolo Pippo Patrizio	Alternate Auditor	Giussano (MB), 9 November 1968

The members of the Board of Statutory Auditors are domiciled for office at the Company's registered office.

Following are short *curricula vitae* (resume) of the members of the Board of Statutory Auditors, which show the competence and experience developed in the area of business management.

#### **Ernesto Riva**

Ernesto Riva received his Law Degree in 1971 from Università Cattolica of Milan. He has been an Auditor since 2001 (no. 123738 of the Register).

From 1972 Ernesto Riva has been an employee of Banco Ambrosiano, the Nuovo Banco Ambrosiano as well as of Banco Ambrosiano Veneto. Since 1976 he has worked as administrator and since 1986 he has acted as manager (budget and tax).

He has also worked as Head of the *Direzione Centrale Amministrativa* (Central Administrative Directorate) of the Banco Ambrosiano Veneto (1995-1997), Banca Intesa (1998-2006) and Intesa Sanpaolo (2007-2015), where he focused on the administrative structure of the holding

Bank and of the Group's consolidated entity, composed of banks, insurance companies, financial services firms, with offices in Italy and abroad.

### **Luigi Sironi**

Luigi Sironi received his Economics Degree in 1987 from the Università L. Bocconi of Milan.

He has been registered with the Association of Certified Accountants since 1990, and with the Register of Auditors since 1995.

Luigi Sironi provides tax and corporate advice to sole practitioners, professionals, partnerships and companies in addition to business and management advice.

Furthermore, he has held and holds member positions with the Boards of Statutory Auditors and Directors at numerous Italian Companies.

### **Riccardo Foglia Taverna**

Riccardo Foglia Taverna received his Economics Degree in 1990 from the Università degli Studi di Torino.

In 1993 he became a certified accountant.

Accounting Auditor, he is registered in the Register of Auditors of the Court of Appeal of Turin with no. 110326, with Decree of the General Director of Civil Affairs and Liberal Professions of 25 November 1999 – published on the extraordinary supplement to the Official Journal of the Republic of Italy, 4th special series no.100.

Furthermore, he has also received his Master's Degree in Corporate and Corporate Tax Law INFOR IPSOA, February – June 1995, at INFOR IPSOA – in Assago (MI).

Between 1991 and 1992, Riccardo Foglia Taverna held a position as an Auditor at Reconta Ernst & Young; from 1993 to 1997 he was tax manager for Banca Sella Group.

Between 1997 and 2002 he worked as associate for the Tax Law Unit of Ernst & Young International Tax Law Firm, providing advice on corporate and tax matters to national and international clients, with a special focus on the banking, finance and insurance sector.

Between 2002 and 2015 he was a partner in the Studio Tributario e Legale VALENTI e associate Tax Law Firm.

Since 2016 he is a partner at the Studio Associato Legale e Tributario STLEX Tax Law Firm.

### **Paolo Baruffi**

In 1984, Paolo Baruffi received his Degree in Economics from the Università L. Bocconi of Milan, and is registered with the Association of Certified Accountants and Experts of Milan (Milan and Lodi) since 1990 with no. 2806. He is also registered with the Register of Auditors with Ministerial Decree of 12 April 1995, published in Official Journal no. 31bis of 21 April 1995.

Paolo Baruffi is a partner of Carnelutti Studio Legale Associato.

He is member of the Association of Certified Accountants and of the Board of Statutory



Auditors. He collaborates with the Tax Department of the Law Firm, where he works as advisor to the top management of banks, industrial and commercial businesses on matters dealing with corporate and tax law; he also works as advisors on matters dealing with corporate restructuring operations, mergers and acquisitions, at both the national and international level.

He is also a member of the Accountants Global Network (AN) International and of the AGNO development committee.

He acts as director, auditor and member of the Supervisory Body pursuant to Legislative Decree No. 231/2001 in companies of primary importance in both Italian and international groups, which operate in the areas of finance, industry and services.

He specialises in administrative liability of companies. He advises leading groups in designing and implementing models for the Organization, Management and Control pursuant to Legislative Decree No. 231/2001.

He is also the Author of the book *“Il Modello di Organizzazione Gestione e Controllo di cui al Decreto Legislativo 231/2001”* Model of Management Organisation and Control pursuant to Legislative Decree No. 231/2001.

Furthermore, he is recommended by Legal Experts EMEA as a tax consultant.

### **Paolo Pippo Fatrizio**

In 1993, Paolo Pippo Fatrizio received his Economics degree from Università Cattolica del Sacro Cuore of Milan.

Since 1999 he is registered in the Register of Statutory Auditors and since 2002 he is also a certified accountant.

From 1994 to 1997 he was a statutory auditor for Arthur Andersen S.p.A.

From 1997 to 1998 he worked with studio Corno of Lissone (MB).

Since 1998 he works with the Carnelutti e Associati law firm.

\* \* \*

The following Table shows the main companies or unincorporated entities, other than the Issuer, whose members of the Board of Statutory Auditors have been members of the administration, management or supervisory bodies, or shareholders, in the last 5 years, with an indication of the length of time in office and of the shareholding.

<b>First and Last Name</b>	<b>Company</b>	<b>Office held in the Company or shareholding held</b>	<b>Status as of the Trading Admission Document Date</b>
Ernesto Riva	IntesaSanpaolo Securitisation Vehicle S.r.l.	Chairman of the Board of Directors	Currently in Office (termination)

First and Last Name	Company	Office held in the Company or shareholding held	Status as of the Trading Admission Document Date
			upon approval of the financial statement ended on 31 December 2017)
	IntesaSanpaolo Group Service S.c.p.A.	Director	No longer in Office
	IntesaSanpaolo S.p.A.	Head of the Central Administration and Tax Directorate and Manager in Charge pursuant to Art. 154-bis of the TUF	No longer in Office
Riccardo Foglia Taverna	Banca Sella Holding S.p.A.	Alternate Auditor	Currently in Office (termination upon approval of the financial statement ended on 31 December 2017)
	Anteo S.r.l.	Standing Auditor	Currently in Office
	Soft NW S.p.A.	Standing Auditor	Currently in Office (termination upon approval of the financial statement ended on 31 December 2017)
	Finanziaria 2010 S.p.A.	Standing Auditor	Currently in Office
	Lenzi Paolo Broker di	Standing Auditor	Currently in

<b>First and Last Name</b>	<b>Company</b>	<b>Office held in the Company or shareholding held</b>	<b>Status as of the Trading Admission Document Date</b>
	Assicurazioni S.r.l.		Office
	Cedis S.r.l.	Director	Currently in Office
	Lampugnani Farmaceutici S.p.A.	Standing Auditor	Currently in Office
	Ambros Saro S.p.A.	Standing Auditor	Currently in Office
	Cabeco S.r.l.	Standing Auditor	Currently in Office
	Tekim S.p.A.	Standing Auditor	Currently in Office
	Jakil S.p.A.	Standing Auditor	Currently in Office (termination upon approval of the financial statement ended on 31 December 2017)
	Sella Capital Management S.g.r. S.p.A. under liquidation	Standing Auditor	Currently in Office (termination upon approval of the financial statement ended on 31 December 2017)
	Gestimm S.p.A.	Chairman of the Board of Auditors	Currently in Office
	Industries S.p.A.	Alternate Auditor	Currently in Office
	Ruffini Partecipazioni Holding S.r.l.	Standing Auditor	Currently in Office
	Achille Pinto S.p.A.	Sole Accounting Auditor	Currently in

<b>First and Last Name</b>	<b>Company</b>	<b>Office held in the Company or shareholding held</b>	<b>Status as of the Trading Admission Document Date</b>
			Office
	C.I.D.I.S. under liquidation	Liquidator	Currently in Office
	Dafe 4000 S.p.A.	Standing Auditor	Currently in Office
	Ibiella S.r.l.	Standing Auditor	Currently in Office (termination upon approval of the financial statement ended on 31 December 2017)
	Zephyro S.p.A.	Standing Auditor	Currently in Office (termination upon approval of the financial statement ended on 31 December 2017)
	Franco Ferrari S.r.l.	Accounting Auditor	Currently in Office
	AVM Gestioni s.g.r. S.p.A.	Alternate Auditor	Currently in Office
	Primomiglio s.g.r. S.p.A.	Standing Auditor	Currently in Office
	Ruffini Partecipazioni S.r.l.	Standing Auditor	Currently in Office
	FVH S.r.l.	Standing Auditor	Currently in Office
	Storgaz S.p.A.	Standing Auditor	Currently in Office
	Ankorgaz S.p.A.	Standing Auditor	Currently in Office
	Fonderie Valdesane S.p.A.	Standing Auditor	Currently in

<b>First and Last Name</b>	<b>Company</b>	<b>Office held in the Company or shareholding held</b>	<b>Status as of the Trading Admission Document Date</b>
			Office
	Selfid S.p.A.	Standing Auditor	Currently in Office
	Ankorgaz S.p.A.	Standing Auditor	No longer in Office
	Selfid S.p.A.	Standing Auditor	Currently in Office
	Storgaz S.p.A.	Standing Auditor	Currently in Office
	Agave Blu S.r.l.	Standing Auditor	No longer in Office
	Advanced Italian Yachts S.r.l.	Standing Auditor	No longer in Office
	AGIE CHARMILLES S.p.A.	Standing Auditor	No longer in Office
	BANCA SELLA S.p.A.	Standing Auditor	No longer in Office
	Cba Vita S.p.A.	Standing Auditor	No longer in Office
	Dafe 3000 S.r.l.	Accounting Auditor	No longer in Office
	Enersel S.p.A.	Alternate Auditor	No longer in Office
	Filatura e Tessitura di Tollegno S.p.A.	Alternate Auditor	No longer in Office
	Intercos S.p.A.	Alternate Auditor	No longer in Office
	Intercos Europe S.p.A.	Standing Auditor	No longer in Office
	Investbiz S.p.A.	Standing Auditor	No longer in Office
	Impresa Ing. La Falce S.p.A.	Alternate Auditor	No longer in Office
	ISC S.p.A.	Alternate Auditor	No longer in Office
	Lanificio di Tollegno S.p.A.	Standing Auditor	No longer in Office

<b>First and Last Name</b>	<b>Company</b>	<b>Office held in the Company or shareholding held</b>	<b>Status as of the Trading Admission Document Date</b>
	Manifattura di Valduggia S.p.A.	Standing Auditor	No longer in Office
	Moncler S.r.l.	Alternate Auditor	No longer in Office
	Punto S.r.l.	Standing Auditor	No longer in Office
	Shark Bites S.p.A.	Standing Auditor	No longer in Office
	UVIATA S.r.l.	Standing Auditor	No longer in Office
Luigi Sironi	Advanced Capital SGR S.p.A.	Chairman of the Board of Statutory Auditors	Currently in Office
	Blockbuster Italia S.p.A.	Chairman of the Board of Statutory Auditors	Currently in Office
	Nutrition Foundation of Italy	Chairman of the Board of Statutory Auditors	Currently in Office
	Inbetween SGR S.p.A.	Standing Auditor	Currently in Office
	Opera SGR S.p.A.	Standing Auditor	Currently in Office
	C*Blade S.p.A.	Standing Auditor	Currently in Office
	Elba Compagnia di Assicurazione e Riassicurazione S.p.A.	Standing Auditor	Currently in Office
	Startrade S.r.l.	Sole Auditor	Currently in Office
	Vril Finanziaria S.p.A.	Sole Auditor	No longer in Office
	Agenzia per lo Sviluppo dell'Editoria Audiovisiva S.R.L.	Sole Auditor	No longer in Office
	Immobiliare Pegaso "Progetto Affori" S.p.A.	Standing Auditor	No longer in Office
	Ampelos S.r.l.	Sole Director	No longer in

<b>First and Last Name</b>	<b>Company</b>	<b>Office held in the Company or shareholding held</b>	<b>Status as of the Trading Admission Document Date</b>
			Office
	Canossa S.r.l.	Sole Director	No longer in Office
	Concordia S.r.l.	Sole Director	No longer in Office
	L.M. Properties S.r.l.	Sole Director	No longer in Office
	Immobiliare Ancora di Villa & C. S.r.l.	Shareholder	Currently in Office
	Immobiliare Giusti V.B. S.r.l.	Shareholder	Currently in Office
	Sailing Italia Charter S.r.l.	Shareholder	Currently in Office
	Sailing Italia Yacht S.r.l.	Shareholder	Currently in Office
	Ampelos S.r.l.	Shareholder	No longer in Office
	Concordia S.r.l.	Shareholder	No longer in Office
	Villa di Vitigliano S.r.l.	Shareholder	No longer in Office
	Fattoria di Vitigliano S.r.l.	Shareholder	No longer in Office
Paolo Baruffi	Apple S.p.A.	Accounting Auditor	Currently in Office
	Apple Italia S.r.l.	Accounting Auditor	Currently in Office
	Apple Retail Italia S.r.l. - SU	Chairman of the Board of Statutory Auditors	Currently in Office
	C blade S.p.A. forging & manufacturing	Chairman of the Board of Statutory Auditors	Currently in Office
	Consorzio e.s.e.	Chairman of the Board of Auditors and Accounting	Currently in Office



<b>First and Last Name</b>	<b>Company</b>	<b>Office held in the Company or shareholding held</b>	<b>Status as of the Trading Admission Document Date</b>
		Auditor	
	Continental Finanziaria S.p.A. in liquidazione	Standing Auditor Accounting Auditor	Currently in Office
	Conbipel c&d S.r.l. - SU	Standing Auditor	Currently in Office
	Conbipel S.p.A.	Alternate Auditor and member of the Supervisory Body	Currently in Office
	Cray valley S.r.l.	Chairman of the Board of Statutory Auditors and Accounting Auditor	Currently in Office
	Decox S.p.A.	Standing Auditor and Accounting Auditor	Currently in Office
	Digital solutions S.r.l.	Standing Auditor	Currently in Office
	Do & co italy S.r.l. - SU	Chairman of the Board of Statutory Auditors and Accounting Auditor	Currently in Office
	Finpro S.p.A.	Alternate Auditor	Currently in Office
	Feroli S.p.A.	Alternate Auditor	Currently in Office
	Gardner denver italy holdings S.r.l.	Standing Auditor	Currently in Office
	Garo dott.ing.roberto gabbioneta S.p.A.	Standing Auditor	Currently in Office
	Giesecke & devrient italia S.r.l. - SU	Sole Statutory Auditor and Accounting Auditor	Currently in Office
	Hotel residence club S.p.A..	Standing Auditor	Currently in Office
	Konelco S.p.A.	Chairman of the Board of Directors	Currently in Office
	Istituto mobiliare	Director	Currently in

<b>First and Last Name</b>	<b>Company</b>	<b>Office held in the Company or shareholding held</b>	<b>Status as of the Trading Admission Document Date</b>
	lombardo S.p.A.		Office
	Li.t.e.r. S.r.l.	Standing Auditor and Accounting Auditor	Currently in Office
	Mak mart italia S.p.A. - SU	Standing Auditor and Accounting Auditor	Currently in Office
	Nexans italia S.p.A.	Standing Auditor	Currently in Office
	Nexans intercablo S.p.A.	Chairman of the Board of Statutory Auditors	Currently in Office
	Nexans partecipazioni Italia S.r.l.	Sole Accounting Auditor	Currently in Office
	Orologeria luigi verga S.p.A.	Chairman of the Board of Statutory Auditors and Accounting Auditor	Currently in Office
	Pierre fabre italia S.r.l.	Alternate Auditor	Currently in Office
	Pierre fabre pharma S.r.l.	Alternate Auditor	Currently in Office
	Publishare Italia S.r.l.	Sole Statutory Auditor and Accounting Auditor	Currently in Office
	River tre S.p.A.	Alternate Auditor	Currently in Office
	Resilia S.r.l. - SU	Sole Standing Auditor and Accounting Auditor	Currently in Office
	Sertem S.r.l.	Chairman of the Board of Directors	Currently in Office
	Swisscom italia S.r.l. - SU	Standing Auditor	Currently in Office
	Seaboats S.r.l.	Alternate Auditor	Currently in Office
	The european house - ambrosetti S.p.A.	Standing Auditor and Accounting Auditor	Currently in Office
	Conbipel S.p.A.	Member of Supervisory Body under Legislative	Currently in

<b>First and Last Name</b>	<b>Company</b>	<b>Office held in the Company or shareholding held</b>	<b>Status as of the Trading Admission Document Date</b>
		Decree No. 231/2001	Office
	Telelombardia S.r.l.	Member of Supervisory Body under Legislative Decree No. 231/2001	Currently in Office
	Viacom international media networks italia S.r.l.	Member of Supervisory Body under Legislative Decree No. 231/2001	Currently in Office
	Veneta decalcomome S.r.l.	Member of Supervisory Body under Legislative Decree No. 231/2001	Currently in Office
	TIMA S.A.S. di Paolo Baruffi	Partner and Liquidator	No longer in Office
	Frabklin templeton italia SIM S.p.A.	Standing Auditor	No longer in Office
	Mcf S.r.l.	Chairman of the Board of Statutory Auditors	No longer in Office
	Fastweb wholesale S.r.l.	Statutory Auditor	No longer in Office
	Swisscom ict italia S.r.l. in liquidazione	Statutory Auditor	No longer in Office
	Attiva società di gestione del risparmio S.p.A. in liquidazione	Statutory Auditor	No longer in Office
	Iseco S.p.A.	Statutory Auditor	No longer in Office
	Technologies for water seervices S.p.A.	Statutory Auditor	No longer in Office
	Polymer logistics italy S.r.l.	Chairman of Board of Statutory Auditors	No longer in Office
	J.walter thompson italia S.p.A.	Statutory Auditor	No longer in Office
	Kantar italia S.r.l.	Statutory Auditor	No longer in Office
	Grey S.r.l.	Alternate Auditor	No longer in

<b>First and Last Name</b>	<b>Company</b>	<b>Office held in the Company or shareholding held</b>	<b>Status as of the Trading Admission Document Date</b>
			Office
	Fider S.r.l.	Chairman of Board of Directors	No longer in Office
	So.ge.s S.r.l. in liquidazione	Director	No longer in Office
	Sudler & hennessey S.r.l.	Accounting Auditor	No longer in Office
	Burson-marsteller S.r.l.	Standing Auditor	No longer in Office
	Wunderman S.r.l.	Standing Auditor	No longer in Office
	Wavemaker italia S.r.l.	Chairman of the Board	No longer in Office
	Chemviron italia S.r.l.	Chairman of the Board	No longer in Office
	Oberthur technologies italia S.r.l.	Chairman of the Board	No longer in Office
	Mydrin S.r.l.	Standing Auditor	No longer in Office
	Sunclear S.r.l.	Standing Auditor	No longer in Office
	Sprint production S.r.l.	Standing Auditor	No longer in Office
	Milward brown S.r.l.	Standing Auditor	No longer in Office
	Aufidio S.r.l.	Chairman of the Board of Statutory Auditors	No longer in Office
	Media club S.p.A.	Chairman of the Board of Statutory Auditors	No longer in Office
	Mindshare S.p.A.	Alternate Auditor	No longer in Office
	Mediacom italia S.r.l.	Chairman of the Board of Statutory Auditors	No longer in Office

<b>First and Last Name</b>	<b>Company</b>	<b>Office held in the Company or shareholding held</b>	<b>Status as of the Trading Admission Document Date</b>
	Par-tec S.p.A.	Alternate Auditor	No longer in Office
	Fast financial administration solutions& technologies S.r.l.	Alternate Auditor	No longer in Office
	Kinetic S.r.l.	Chairman of the Board of Statutory Auditors	No longer in Office
	Mammoet italy S.r.l.	Standing Auditor	No longer in Office
	Abp S.r.l. in liquidazione	Standing Auditor	No longer in Office
	Frette S.r.l.	Standing Auditor	No longer in Office
	Groupm S.r.l.	Chairman of the Board of Statutory Auditors	No longer in Office
	Professional governance overview S.r.l.	Director	No longer in Office
	Ganesh S.r.l.	Alternate Auditor	No longer in Office
	Arkemacoatings resins S.r.l.	Chairman of the Board of Statutory Auditors	No longer in Office
	Usi overseas italy S.r.l.	Standing Auditor	No longer in Office
	J. Walter thompson roma S.r.l.	Standing Auditor	No longer in Office
	Isg italia S.p.A.	Alternate Auditor	No longer in Office
	Maxus mc2 S.p.A.	Alternate Auditor	No longer in Office
	Huntsman pigments S.p.A.	Standing Auditor	No longer in Office
	Eurofreditaly S.p.A.	Standing Auditor	No longer in

<b>First and Last Name</b>	<b>Company</b>	<b>Office held in the Company or shareholding held</b>	<b>Status as of the Trading Admission Document Date</b>
			Office
	Arcobalegno S.r.l.	Standing Auditor	No longer in Office
	S.p.m. Scarl	Alternate Auditor	No longer in Office
	Velux italia S.r.l.	Standing Auditor	No longer in Office
	CEG S.r.l.	Shareholder	Currently in Office
	SERTEM S.r.l.	Shareholder	Currently in Office
	Monticello Golf S.r.l.	Shareholder	Currently in Office
	KON.EL.CO. S.p.A.	Partner (through fiduciary entrustment)	Currently in Office
	Fider S.r.l.	Shareholder	No longer in Office
	Professional governance overview S.r.l.	Shareholder	No longer in Office
	TIMA S.A.S.	Shareholder	No longer in Office
	Emg liguria S.r.l.	Shareholder	No longer in Office
	FULL-PROJECT S.r.l.	Shareholder (through fiduciary entrustment)	No longer in Office
Paolo Pippo Fatrizio	C Blade Forging & Manufacturing S.p.A.	Standing Auditor	Currently in Office
	Blockbuster Italia S.p.A. in Liquidazione	Standing Auditor	Currently in Office
	Infoklix S.r.l. in Liquidazione	Liquidator	Currently in Office
	Continental Finanziaria S.p.A. in Liquidazione	Liquidator	Currently in Office

<b>First and Last Name</b>	<b>Company</b>	<b>Office held in the Company or shareholding held</b>	<b>Status as of the Trading Admission Document Date</b>
	Mak Mart Italia S.p.A.	Director	Currently in Office
	Immobiliare Selene S.r.l.	Sole Director	Currently in Office
	M.B. Immobiliare S.r.l.	Sole Director	Currently in Office
	Golf Club Carimate A.S.D.	Chairman of the Board of Statutory Auditors	Currently in Office
	Conbipel Communication&Develop S.r.l.	Alternate Auditor	Currently in Office
	Hotel Residence Club S.p.A.	Alternate Auditor	Currently in Office
	Caro Dott. Ing. Roberto Gabbioneta S.p.A.	Alternate Auditor	Currently in Office
	Nexans Intercablo S.p.A.	Alternate Auditor	Currently in Office
	Pierre Fabre Italia S.p.A.	Alternate Auditor	Currently in Office
	Orologeria Luigi Verga S.p.A.	Alternate Auditor	Currently in Office
	Cofidis S.p.A.	Alternate Auditor	Currently in Office
	Kon.El.Co. S.p.A.	Alternate Auditor	Currently in Office
	Li.T. E.R. S.r.l.	Alternate Auditor	Currently in Office
	Nexans Italia S.p.A.	Alternate Auditor	Currently in Office
	Gardner Denver Italy Holdings S.r.l.	Alternate Auditor	Currently in Office
	Cray Valley Italia S.r.l.	Alternate Auditor	Currently in Office



<b>First and Last Name</b>	<b>Company</b>	<b>Office held in the Company or shareholding held</b>	<b>Status as of the Trading Admission Document Date</b>
	Pulse Italy S.r.l.	Standing Auditor	No longer in Office
	Mak Mart Europe S.r.l.	Director	No longer in Office
	Arkema S.r.l.	Alternate Auditor	No longer in Office
	Aufidio S.r.l.	Alternate Auditor	No longer in Office
	Coemar S.p.A. - In Liquidazione	Standing Auditor	No longer in Office
	Altair Servizi Informatici S.r.l.	Standing Auditor	No longer in Office
	Sied S.r.l.	Chairman of the Board of Statutory Auditors	No longer in Office
	Fidia Farmaceutici S.p.A.	Alternate Auditor	No longer in Office
	Cementilce S.r.l.	Alternate Auditor	No longer in Office
	Arcobalegno S.r.l.	Alternate Auditor	No longer in Office
	Franklin Templeton Italia Sim S.p.A.	Alternate Auditor	No longer in Office
	Sied Real Estate S.r.l.	Standing Auditor	No longer in Office

\* \* \*

None of the members of the Board of Statutory Auditors is in one of the family relationships indicated in Book 1, Title 5 of the Italian Civil Code with the other members of the Board of Statutory Auditors, nor any of them is in one of such family relationships with the members of Board of Directors of the Issuer.

To the best of the Company's knowledge, in the past five years, without prejudice to the rules set out further infra, none of the members of the Board of Statutory Auditors (i) has been sentenced for crimes related to fraud or bankruptcy; (ii) has been declared bankrupt or subject to bankruptcy procedures or has been involved in bankruptcy procedures, receivership or liquidation procedure; (iii) has been officially sentenced and/or has been

sanctioned by public or regulatory authorities (including relevant professional organizations) in the performance of his tasks, not has been banned from holding the office of administrator, manager or supervisor of the Issuer or from the office of director or manager for other companies.

### ***10.1.3 Top Managers***

As of the Trading Admission Document Date the Company has no top managers.

### ***10.1.4 Founding Partners***

The Issuer was incorporated as a Joint-Stock Company under the name "SPAXS S.p.A.", with a share capital of EUR 50,000.00, with deed drawn upon by Notary Mr. Carlo Marchetti, Index No. 14216, Collection No. 7514.

For information on the shareholding structure of the Company as of the Trading Admission Document Date and its development in case of full placing of the maximum number of Ordinary Shares interested by the Offer, please refer to Section 13, Paragraph 13.1 of the Trading Admission Document.

## **10.2 Conflicts of interest of the members of the Board of Directors, of the members of the Board of Statutory Auditors, of the general directors and of the main managers**

### ***10.2.1 Conflicts of interest of the members of the Board of Directors***

As of the Trading Start Day, the Promoting Companies shall hold Special Shares qualifiable as financial products linked to the performance of the AIM Italia financial instruments, pursuant to the AIM Rules for Companies.

With regard to the members of the Board of Directors, it should be noted that as of the Trading Admission Document Date: (i) the executive Chairman of the Company's Board of Directors, Mr. Corrado Passera, holds a majority shareholding in the Issuer's chain of control (as better described in Section 7, Chapter One, of the Trading Admission Document), and holds the office of sole Director of Metis; (ii) the Company's Director, Mr. Andrea Clamer, , holds a minority shareholding in the Issuer's chain of control (as better described in Section 7, Chapter One, of the Trading Admission Document); (iii) the Company's Director, Mr. Massimo Brambilla, holds a minority shareholding in the Issuer's chain of control (as better described in Section 7, Chapter One, of the Trading Admission Document), and holds the office of sole Director of Tetis.

Furthermore, it should be noted that in case of the Company's dissolution due to non-implementation of the Material Transaction before the Deadline: (i) the conditions for the conversion of the Special Shares into Ordinary Shares will not be fulfilled; and (ii) the Special Shares will be deferred to the Ordinary Shares upon distribution of the profits in the context of the liquidation process, as indicated in further detail under Article 28 of the Articles of Association. For these reasons, the members of the Board of Directors may find themselves in a situation of conflict of interest in determining the opportunity of a specific Material

Transaction and the correspondence of the Material Transaction's terms and conditions to the Company's best interest, especially if the relevant target company was identified close to the expiration of the Deadline.

It should be noted that in the context of the ordinary Shareholders' Meeting of 12 January 2018, the Directors Corrado Passera, Andrea Clamer and Massimo Brambilla expressly declared their intention to renounce to any compensation due to them in relation to the aforementioned respective offices; therefore, said ordinary Shareholders' Meeting has, *inter alia*, resolved to determine the total annual remuneration to be corresponded to the independent Director Maurizia Squinzi for the duration of the appointment for an amount equal to EUR 10,000.00, in addition to the reimbursement of expenses incurred by its members for the completion of the assignment.

#### ***10.2.2 Conflicts of Interest of the members of the Board of Statutory Auditors***

It should be noted that, as of the Trading Admission Document Date, no conflict of interest exists with regard to the members of the Board of Statutory Auditors.

#### ***10.2.3 Conflicts of interests of the main managers***

This provision is not applicable since as of the Trading Admission Document Date, the Company has no managers.

#### ***10.2.4 Possible agreements with the main Shareholders, clients, Issuer's suppliers or other agreements pursuant to which the members of the Board of Directors, the Board of Statutory Auditors and other members have been appointed***

As of the Trading Admission Document Date, the Company is unaware of any agreements or understandings with the main Shareholders of the Company, clients, Issuer's suppliers pursuant to which the members of the Board of Directors and of the Board of Statutory Auditors have been appointed.

#### ***10.2.5 Possible limitations pursuant to which the members of the Board of Directors, the Board of Statutory Auditors and other top managers agreed to limit their rights to sell or transfer, for a certain period of time, the Issuer's financial instruments held by them***

As of the Trading Admission Document Date, the Company is unaware of any limitation pursuant to which the members of the Board of Directors and of the Board of Statutory Auditors agreed to limit their rights to sell or transfer, for a certain period of time, the Issuer's Shares directly and possibly held by them.

For a description of the Lock Up Shares, please refer to Chapter Two, Paragraph 5.3 of the Trading Admission Document.

## **11. BOARD OF DIRECTORS' PROCEDURES**

### **11.1 Terms of office of the members of the Board of Directors and the members of the Board of Statutory Auditors**

The Issuer's Board of Directors in office on the Trading Admission Document Date will remain in office for (3) three consecutive financial years, and more specifically until the Shareholders' Meeting that will be convened to approve the financial statement for the financial year closing on 31 December 2020.

The Issuer's Board of Statutory Auditors in office on the Trading Admission Document Date will remain in office for 3 (three) financial years, and more specifically until the Shareholders' Meeting that will be convened for the approval of the financial statement for the financial year closing on 31 December 2020.

### **11.2 Employment contract executed by the members of the Board of Directors and by the members of the Board of Statutory Auditors with the Issuer or with other companies of the group providing for severance remuneration**

As of the Trading Admission Document Date, there are no employment contracts that have been executed by the members of the Board of Directors and by the members of the Board of Statutory Auditors with the Issuer providing for severance remuneration.

### **11.3 Implementation of the provisions on corporate governance**

The Issuer, as a Company requesting admission to trading on the AIM Italia, is not expected to implement the provisions on governance applicable to companies listed on regulated markets, except for the provisions set out by MAR.

However, it should be noted that the Shareholders' Meeting of the Issuer held on 17 January 2018 and on 25 January 2018 resolved, among other things, to, respectively, adopt and amend new Articles of Association for the Company in order to make the Company's system of corporate governance compliant with the law provisions applicable to companies with financial instruments admitted to trading on AIM Italia.

More specifically, the Issuer's Articles of Association:

- (i) provide for the mandatory appointment, within the Board of Directors, of at least one Director meeting the independence requirements set out under Article 148, paragraph 3, of the TUF, as referred to by Article 147-ter, paragraph 4, of the TUF;
- (ii) in compliance with the provisions of the AIM Rules for Companies Italy, for as long as the Ordinary Shares will be admitted to trading on AIM Italy, provide for the Shareholders' duty to notify the Company of any material change;
- (iii) in compliance with the provisions of the AIM Rules for Companies Italy, for as long as the Ordinary Shares will be admitted to trading on AIM Italy, provides for the application – insofar as they are voluntarily accepted and applicable – of the provisions concerning listed companies set out by the TUF and Consob's implementing regulations concerning mandatory public takeover and exchange bid,

but only with regard to Articles 106 and 109 of the TUF;

- (iv) provide for the prior approval by the ordinary Shareholders' Meeting, pursuant to Article 2364, paragraph 1, no. 5, of the Italian Civil Code, in the cases provided for and regulated by the AIM Regulation as well as in the cases mandated by law.

For additional information on the content of the Articles of Association, please refer to Chapter 1, Section 15, Paragraph 15.2, of the Trading Admission Document.

Furthermore, with resolution taken on 12 January 2018, the Company's Board of Directors, in order to make the Company's system of corporate governance consistent with the law provisions applicable to companies with financial instruments admitted to trading on AIM Italia, including the MAR, resolved, among other things, to adopt the Company's investment policy, as well as:

effective from the date of the filing with Borsa Italiana of the application for admission to trading of the Company's Ordinary Shares on the AIM Italia,

- (i) the *"Procedure for the processing of privileged information and disclosure obligations"*;
- (ii) the *"Procedure for the management of the register of individuals with access to Privileged information"*;
- (iii) the *"Procedure for the management of disclosures in matters of internal dealing"*;

effective from the Trading Start Day, the procedure regulating the Company's decision-making process in order to identify internal operating rules suitable to ensure transparency, substantive and procedural for the identification of the target company/ies and approval of the Material Transaction.

Furthermore, with resolution taken on 24 January 2018, the Company's Board of Directors resolved to adopt, effective from the Trading Start Day, the *"Procedure for related-party transactions"* pursuant to Article 13 of the AIM Rules for Companies and Consob Regulation no. 17221 of 12 March 2010 (as later amended and supplemented) regulating the related-party transactions carried out by the Company, also through subsidiaries or companies subject to management and coordination, in order to guarantee the substantive and procedural fairness of such transactions, as well as that the market is correctly informed.

## **12. EMPLOYEES**

### **12.1 Employees**

As of the Trading Admission Document Date, the Issuer has no employees.

### **12.2 Shareholdings and stock options of the members of the Board of Directors**

As of the Trading Admission Document Date, except as otherwise stated below, none of the members of the Board of Directors holds directly any shareholding in the share capital of the Issuer.

It is hereby noted that, as of the Trading Admission Document Date, (i) the executive Chairman of the Company's Board of Directors, Mr. Corrado Passera, holds a major shareholding in the control chain of the Issuer and holds the sole Director position in Metis; (ii) the Director of the company, Mr. Andrea Clamer, holds a minor shareholding in the control chain of the Issuer company; and (iii) the Director of the Company, Mr. Massimo Brambilla, holds a minor shareholding in the control chain of the Issuer company and holds the sole Director position in Tetis.

As of the Trading Admission Document Date no stock option plan has been approved.

For information on the Company's shareholding structure, please refer to Chapter 1, Section 13, Paragraph 13.1 of the Trading Admission Document.

### **12.3 Agreement for the Participation of Employees to the Share Capital**

As of the Trading Admission Document Date, there are no agreements or provisions of the Articles of Association providing for forms of participation of employees to the Company's share capital.

### 13. MAIN SHAREHOLDERS

#### 13.1 Issuer's Main Shareholders

The following Table shows, according to the findings of the shareholders' register as well as based on other information available to the Company, SPAXS's shareholding structure on the Trading Admission Document Date and its development in case of full placing of the maximum number of Ordinary Shares addressed in the Offer, equal to a maximum of no. 60,000,000 Ordinary Shares.

Shareholder	Ordinary Shares on the Trading Admission Document Date(*)	%	Maximum Ordinary Shares deriving from the Capital Increase	Maximum Ordinary Shares following the Offer	%	Maximum Special Shares following the Offer	%
Tetis	4,950	99%	0	0	0%	1,782,000	99%
AC	50	1%	0	0	0%	18,000	1%
Market	0	0%	60,000,000	60,000,000	100%	0	0%
<b>Total</b>	<b>5,000</b>	<b>100%</b>	<b>60,000,000</b>	<b>60,000,000</b>	<b>100%</b>	<b>1,800,000</b>	<b>100%</b>

(\*) It should be noted that, following entry into force of the Company's Articles of Association suitable for the admission to trading of the Ordinary Shares and the Conditional Share Rights on the AIM Italia, the no. 5,000 Ordinary Shares held by the Promoting Companies on the Trading Admission Document Date will be converted in Special Shares. Consequently, on the Trading Start Day the Promoting Companies will hold all the Special Shares, equal to a maximum of no. 1,800,000 Special Shares.

#### 13.2 Different Voting Rights held by the main Shareholders of the Issuer

Pursuant to Article 5 of the Articles of Association, the Issuer's share capital is divided into Ordinary Shares and Special Shares.

For more information on the characteristics of the Special Shares, please refer to Chapter 1, Section 15, Paragraph 15.2.3 of the Trading Admission Document.

#### 13.3 Issuer's Parent Company

As of the Trading Admission Document Date, the entire share capital of the Company, equal to EUR 50,000.00 divided into no. 5,000 Ordinary Shares, without indication of their nominal value, is held in full by the Promoting Companies (more specifically, Tetis holds no. 4,950 Ordinary Shares and AC Valuecreation holds no. 50 Ordinary Shares).

On the Trading Start Day, the Promoting Companies will hold only Special Shares (for information on the characteristics of the Special Shares, please refer to Chapter 1, Section 15, Paragraph 15.2.3 of the Trading Admission Document).



#### **13.4 Shareholders' agreements**

As of the Trading Admission Document Date, the Issuer is unaware of any agreement whose implementation may determine – at a later date – a change in the ownership structure of the Issuer.

#### **14. RELATED-PARTY TRANSACTIONS**

As of the Trading Admission Document Date, the Issuer has not entered into any related-party transaction. The Company, with resolution of the Board of Directors of 24 January 2018, adopted, effective from the Trading Start Day, a procedure for the management of the transactions entered into with related parties, which is available on the Company's website ([www.spaxs.it](http://www.spaxs.it)).

## 15. ADDITIONAL INFORMATION ON THE STRUCTURE AND FUNCTIONING OF SPAXS

### 15.1 Share capital

#### 15.1.1 *Share capital subscribed and paid*

As of the Trading Admission Document Date, the Company's share capital, fully subscribed and paid, amounts to EUR 50,000.00 divided into no. 5,000 Ordinary Shares, without indication of their nominal value.

#### 15.1.2 *Shares not representing the company capital: quantity and main features*

As of the Trading Admission Document Date, the Company has not issued financial instruments not representing the company capital.

For information on the features of the Issuer's Special Shares, please refer to Paragraph 15.2.3 of the Trading Admission Document.

For information on the Conditional Share Rights, please refer to Chapter Two, Section 4, Paragraph 4.2 of the Trading Admission Document.

#### 15.1.3 *Quantity of convertible bonds, either exchangeable or with warrant*

As of the Trading Admission Document Date, the Company has not issued convertible bonds, either exchangeable or with warrant.

#### 15.1.4 *Purchase rights and/or obligations concerning authorised, unissued capital or obligation to perform a capital increase*

As of the Trading Admission Document Date, without prejudice to the rules indicated further below, there are no purchase rights and/or obligations concerning authorised, unissued capital, nor obligations to perform a capital increase.

On 17 January 2018, the extraordinary Shareholders' Meeting of the Company resolved: (1) to increase the share capital for consideration, in tranches, from the current EUR 50,000.00 up to a nominal maximum of EUR 15,000,000.00, and so on for a nominal maximum of EUR 14,950,000.00, by issuing a maximum of no. 1,495,000 new Shares, without nominal value, with regular dividend rights, to be offered as option to shareholders at the unitary price of EUR 10.00, before the deadline of 31 March 2018; (2) to increase the share capital for consideration, in tranches, in one or more tranches, with the exclusion of the option pursuant to Article 2441, paragraph 5, Italian Civil Code, for an additional maximum nominal value of EUR 500,000,000.00, by issuing a maximum of no. 50,000,000 new Ordinary Shares, without nominal value, regular dividend rights, to be issued at the unitary price of EUR 10.00, no later than 31 March 2018; and (3) to issue no. 5,000,000 Ordinary Shares without changing the share capital, to be assigned for free to Conditional Share Rights holders, therein resolved at the first anniversary of the effective date of the Material Transaction.

On 25 January 2018, the extraordinary Shareholders' Meeting of the Company resolved to

increase: **(A)** the amount of the share capital under number (1) above for an overall nominal maximum amount of EUR 18,000,000.00, by issuing an overall maximum amount of no. 1,795,000 new Shares; **(B)** to increase the amount of the share capital under number (2) above for an overall nominal maximum amount of EUR 600,000,000.00, by issuing an overall maximum amount of no. 60,000,000,00 new Ordinary Shares; and **(C)** the maximum overall amount of the number of shares to be issued for the assignment of the Conditional Share Rights up to no. 6,000,000.

#### ***15.1.5 Option offers concerning the share capital of possible members of the group***

As of the Trading Admission Document Date, the Issuer does not hold any controlling interest in any company.

#### ***15.1.6 Developments in the share capital since the establishment date***

The Company was established on 20 December 2017 as a Joint-Stock Company under the name of "SPAXS S.p.A.", with a share capital of EUR 50,000.00.

As of the Trading Admission Document Date, the Company's share capital, fully subscribed and paid, amounts to EUR 50,000.00 divided into no. 5,000 Ordinary Shares without indication of their nominal value.

For information on the resolutions taken by the Shareholders' Meeting of the Company on 17 January 2018 and on 25 January 2018 concerning the capital increases, please refer to Paragraph 15.1.4 of the Trading Admission Document.

In case of subscription of the maximum number of Ordinary Shares in the Offer and the maximum number of Special Shares in the Share Capital Increase Reserved for the Promoting Companies, the share capital of the Company, fully subscribed and paid, will be able to amount, as a maximum, to nominal EUR 618,000,000.00 divided in up to no. 60,000,000 Ordinary Shares and in up to no. 1,800,000 Special Shares, all without indication of their nominal value.

### **15.2 Company's Memorandum of Association and Articles of Association**

The Company was incorporated on 20 December 2017 as a Joint-Stock Company under the name "SPAXS S.p.A.", with a share capital of EUR 50,000.00, with deed drawn upon by Notary, Mr. Carlo Marchetti, Index No. 14216, Collection No. 7514.

On 17 January 2018, the Issuer's Shareholders' Meeting approved new Articles of Association (subsequently amended on 25 January 2018), in order to, among other things, update the provisions of the Articles of Association to the current laws concerning companies with financial instruments admitted to trading on the AIM Italia.

Following is an excerpt of the main provisions of the Articles of Association, in the version in effect on the Trading Start Day. The Articles of Association is available on the Company's website ([www.spaxs.it](http://www.spaxs.it)), to which reference is made for additional information on the provisions of the Articles of Association.

### **15.2.1 Corporate purpose and Issuer's purpose**

The corporate purpose of the Company is set out by Article 3 of the Company's Articles of Association, which provides as follows.

*"The Company's purpose provides for the research and selection of possible acquisitions of shareholdings in other company/ies and of other possible types of aggregations by the Company with other company/ies, to be implemented after the trading start day of the Company's Ordinary Shares on the multilateral trading system AIM Italia/Market Alternativo del Capitale, organised and managed by Borsa Italiana S.p.A. (respectively, the "Listing" and "AIM Italia") through, including, but not limited to, mergers with the chosen company/ies, acquisitions pursuant to any method allowed by law (including the subscription of capital increases and sale and purchases) of shareholdings in the chosen company/ies and/or contributions, (each transaction, as the case may be, the "Material Transaction"), as well as the implementation of the Material Transaction through any method allowed by law and only after the prior change of the Company's corporate purpose, as resulting, from time to time, from the Articles of Association. To this purpose, the Company will be able to, among other things, acquire majority or minority shareholdings as well as shareholding financial instruments. In any case, any advisory activity in matters of investments reserved to special entities or any other activity reserved by law to a specific entity is excluded.*

*The Company will be allowed to perform all the instrumental transactions that the Board of Directors may deem useful to fulfill the corporate purpose, to the exclusion of reserved financial activities to the public and other activities reserved by law."*

### **15.2.2 Summary of the provisions of the Company's Articles of Association concerning the Board of Directors and the Board of Statutory Auditors**

The Company has adopted the "traditional" method of administration and management described under Articles 2380-bis ff. of the Italian Civil Code.

Following are the main provisions of the Articles of Association concerning the members of Company's Board of Directors and the members of the Company's Board of Statutory Auditors.

For additional information, please refer to the Company's Articles of Association and to applicable provisions.

#### Board of Directors

Pursuant to Article 16 of the Articles of Association, the Company is managed by a Board of Directors, composed by a minimum of no. 4 (four) to a maximum of no. 5 (five) Directors, with at least no. 1 (one) of them meeting the independence requirement set out by Article 148, paragraph 3, of the TUF, as referred to by Article 147-ter, paragraph 4, of the TUF.

Pursuant to Article 16 of the Articles of Association, the Directors are appointed for a term of 3 (three) financial years, or for the different period, not exceeding 3 (three) financial years, set out upon appointment, and can be re-elected. The Directors will step down from office on the date of the Shareholders' Meeting convened to approve the financial statement

concerning their last financial year in office, without prejudice to the grounds for termination and revocation provided by law and by these Articles of Association.

The Directors will be removed from their office in the cases provided by law.

If one or more requirements established by law and by the Articles of Association are no longer met, the Director will be removed from office.

Without prejudice to Article 6.4(g) of the Articles of Association, if, during the financial year, one or more directors are no longer in office – due to resignations, removal or any other reason – the Directors still in office shall ensure their replacement by cooptation pursuant to Article 2386 of the Italian Civil Code

If the terminated Director was a Director appointed upon the proposal of the holders of Special Shares, the holders of Special Shares shall have the right to propose a new candidate for appointment to replace the former Director pursuant to Articles 6.4(b) and 12 of the Articles of Association.

If the Chairman of the Board of Director has not already been appointed by the Shareholders' Meeting, the Board of Directors, pursuant to Article 18 of the Articles of Association, will elect the Chairman among the Directors; the Board may also elect a Deputy Chairman who will stand in for the Chairman in cases of absence of impossibility for the Chairman to perform her functions. The Chairman will exercise the powers provided by applicable laws and regulations and the Articles of Association.

Pursuant to Article 19.1 of the Articles of Association, the Board of Directors will meet, even outside of the Company's offices but in Europe or on the American Continent, every time that the Chairman or, in case of absence of impossibility, the Deputy Chairman (if appointed) deems it appropriate, as well as when requested by any one of the Directors in office.

The Board of Directors is convened by the Chairman with notice sent by regular mail, telegram, fax or e-mail at least 2 (two) days before the meeting, or, in case of urgency, at least 24 hours before the meeting. However, meetings of the Board of Directors convened according to different procedures will nonetheless be considered as validly held if attended by all the Directors and Standing Auditors in office, or if attended by the majority of both Directors and Statutory Auditors in office and those not in attendance have been suitably informed in advance of the meeting and did not object to the agenda.

The Board of Directors' meetings are chaired by the Chairman or, in case of absence of impossibility, by the Deputy President, if appointed. In case of absence of impossibility of the Deputy Chairman, the meetings are chaired by the Director appointed by those in attendance.

Pursuant to Article 19.5 of the Articles of Association, and without prejudice to Articles 19.6 and 19.7 of the same, the meetings and resolutions of the Board of Directors will be, respectively, validly held and taken only if the quorums provided by law are met. If the Board of Directors is composed of four Directors, where there is a tied vote on passing a resolution on one of the items on the agenda, the Chairman shall have an additional casting vote.

Pursuant to Article 19.6 of the Articles of Association, resolutions on the following matters

fall within the exclusive competence of the Board of Directors:

- (a) the proposal of Material Transaction;
- (b) the proposals to be submitted to the Shareholders' Meeting concerning the resolutions indicated under Article 15.2(ii) and (iii) of the Articles of Association;
- (c) the definition of deposit and/or investment terms and conditions for the amounts deposited in the Escrow Account and/or any changes to such terms and conditions;

Pursuant to Article 20 of the Articles of Association, the Board of Directors is granted full powers to carry out the ordinary and extraordinary management of the Company and to take all the actions that it may deem appropriate to achieve the corporate purpose, except for the powers reserved to the Shareholders' Meeting by law and by the Articles of Association.

In addition to the powers assigned by law and the Articles of Association, the Board of Directors is also granted the powers to approve: (a) the merger and de-merger, in the cases provided by law; (b) the establishment or closure of secondary units; (c) the choice of which Directors can represent the Company; (d) the decrease of the share capital in case of withdrawal of one or more shareholders; (e) to change the Articles of Association to make them compliant with law provisions; (f) the transfer of the head office within the Italian territory. Granting such powers to the Board of Directors does not exclude the concurring competence of the Shareholders' Meeting on the same subject matters.

Pursuant to Article 21 of the Articles of Association, the Board of Directors may delegate, within the limits of Article 2381 of the Italian Civil Code, and without prejudice to the powers granted by the Articles of Association to the Board of Directors as a whole, some of its powers to an executive committee and/or one or more of its members, after determining their content, limits and methods of exercise of the proxy. The Board of Directors, following a proposal by the Chairman and in accordance with the delegated bodies, may assign proxies for the performance of single actions or categories of actions also to other members of the Board of Directors.

The delegated entities are allowed to assign, exclusively in the context of the powers assigned to them, proxies for the performance of single actions or categories of actions to employees of the Company and to third parties, with also the possibility to sub-delegate those powers.

Pursuant to Article 22 of the Articles of Association, the Chairman is the legal representative of the Company and holds the signing authority; in case of absence or impossibility, the same belong to the Deputy Chairman, if appointed. Legal representation for the Company and the signing authority are also assigned to the CEOs, if appointed, within the limits of the powers granted to them. The aforementioned legal representatives are allowed to assign the legal representation of the Company to other individuals, also during court proceedings, with also the possibility to sub-delegate those powers.

Pursuant to Article 23 of the Articles of Association, Directors should be refunded the expenses sustained in the performance of their functions. Furthermore, the ordinary Shareholders' Meeting can assign to the Directors a remuneration and an end-of-service allowance, also in the form of an insurance policy. The Shareholders' Meeting may determine an overall amount for the remuneration of all the Directors, including those



vested with specific offices, to be distributed by the Board of Directors pursuant to law.

Board of Statutory Auditors

Pursuant to Article 24 of the Articles of Association, the corporate management is supervised by a Board of Statutory Auditors, composed by no. 3 standing members and no. 2 alternate members, appointed and operating pursuant to law.

**15.2.3 Rights, privileges and limitations linked to each class of existing shares**

Pursuant to Article 5 of the Articles of Association, the share capital is divided in Ordinary Shares and Special Shares.

Pursuant to Article 6 of the Articles of Association, and without prejudice to the specifications included therein, the Special Shares assign the same rights and obligations than the Ordinary Shares.

Special Shares have the following characteristics:

- (a) non-transferable for the maximum term established under the law, except for those transfers to subsidiaries (directly or indirectly) from the owner of the said Special Shares or said owner's shareholders or successors; a transfer for these purposes includes any act or event that, for whatever reason, results in a transfer to third parties of the ownership, bare ownership or enjoyment rights over the securities or subjecting the same to charges or encumbrances of any nature, whether *in rem* or otherwise, in favour of third parties;
- (b) in accordance with Article 12 of the Articles of Association, said shares provide the right to submit proposals for the appointment in positions in corporate bodies to the said corporate bodies of the Company; however, they do not grant voting rights in the ordinary and extraordinary Shareholders' Meetings, without prejudice in any case to the powers provided by law and/or the Articles of Association applicable to the special meeting of holders of Special Shares;
- (c) are excluded from the right to receive profits; however, they entitle the holders to receive distributable reserves;
- (d) if the Company is dissolved, the said shares provide its holders the right to payment of their share of the equity after liquidation pursuant to Article 28 of the Articles of Association;
- (e) are automatically converted into Ordinary Shares, providing that each Special Share shall be converted into six (6) Ordinary Shares in the amount of 360,000 Special Shares (equal to twenty percent 20% of their amount) if the Material Transaction is executed and after the seventh (7<sup>th</sup>) trading day following the effective date of the Material Transaction;
- (f) are automatically converted into Ordinary Shares, providing that each Special Share shall be converted into eight (8) Ordinary Shares in the further amount of 1,440,000



Special Shares (equal to eighty percent 80% of their amount) (the “**Remaining Tranche**”) in the event that, within forty-eight (48) months following the effective date of the Material Transaction (the “**Timescale**”), the average price of the Ordinary Shares traded on AIM Italia (or, if the case may be, a regulated Italian market), over at least twenty-two (22) consecutive trading days, is equal to or greater than EUR 15.00 (fifteen euros and no cents) per Ordinary Share.

If there are adjustments to the value of Company’s Ordinary Shares following notification from Borsa Italiana S.p.A. (“**Borsa Italiana**”), the above-mentioned value at subparagraph (f) of EUR 15.00 shall be adjusted according to the “K coefficient” notified by Borsa Italiana.

- (g) are automatically converted into Ordinary Shares, providing that each Special Share shall be converted into eight (8) Ordinary Shares in the amount of one hundred percent (100%) of their amount – in the event that all three of the following conditions are fulfilled: (X) one or more of the directors in office at the effective date of the Articles of Association cease to be in office for any reason whatsoever; (Y) the holders of Special Shares propose the appointment of a director, under Article 6.4(b) and 12 of the Articles of Association, or of a substitute, pursuant to Article 17.1 of the Articles of Association; and, (Z) the ordinary Shareholders’ Meeting appoint Company directors that are not proposed in the preceding point (Y).

If the conditions for automatically converting the Remaining Tranche are not fulfilled before the end of the Timescale (pursuant to Article 6.4(f) of the Articles of Association), each remaining Special Share shall convert to 1 (one) Ordinary Share without any change to the amount of the share capital.

Special Shares will be converted automatically without the need for the holders of such Shares to apply for conversion and without any changes to the share capital. As a result of the automatic conversion of the Special Shares into Ordinary Shares, the Board of Directors shall: (a) record the conversion in the shareholders’ register, by proceeding to annul the Special Shares and to issue the Ordinary Shares; (b) file with the Register of Companies, pursuant to Article 2436, paragraph 6, of the Italian Civil Code, the text of the Articles of Association (b1) with an updated indication of the total number of Shares and, more specifically, the number of shares for each category of share – if applicable – of the share capital and/or (b2) after deleting the provisions of the Articles of Association that are no longer in effect as a result of the conversion of all the Special Shares into Ordinary Shares pursuant to Article 6 of the Articles of Association; as well as (c) disclose the conversion by press release published on the Company’s internet website, as well as make any other communication and statement that may be necessary and appropriate.

For the sake of completeness it should be noted that, exclusively for purposes of the conversion of the Special Shares as set out in Article 6 of the Articles of Association, if the Material Transaction is implemented by reverse merger of SPAXS into a non-listed company, with contextual starting of the trading on AIM Italy of the Company resulting from such merger, in order to take into account the effect of the assignment of the Conditional Share

Rights in case of implementation of the Material Transaction, as set out in Article 3 of the Conditional Share Rights Regulation, the values recorded for purposes of converting the Special Shares indicated by the aforesaid Article 6 of the Articles of Association (and indicated in the foregoing), shall be adjusted on the basis of generally-accepted methods, with the prior approval – if necessary – of the Shareholders' Meeting of the Company.

#### ***15.2.4 Provisions of the Articles of Association concerning changes to the rights of shareholders***

Pursuant to Article 8 of the Articles of Association, the shareholder may withdraw in the cases provided by law.

In this regard it should be noted that, pursuant to Article 2437 Italian Civil Code, shareholders who voted in favour of resolutions concerning the following matters are allowed to withdraw, with regard to part or the whole of their shares:

- changes to the company purpose in case of significant change to the Company's activity, as it is the case, for example, for the completion and implementation of the Material Transaction;
- transformation of the Company;
- relocation of the head office abroad;
- revocation of winding up;
- removal of one or more grounds for withdrawal as set out by Article 2437, paragraph 2, of the Italian Civil Code or the Articles of Association;
- changes to the criteria for determining the value of shares in case of withdrawal;
- changes to the Articles of Association concerning voting rights or shareholding rights;
- extension of the term;
- introduction or removal of limitations concerning the circulation of share securities.

The shares' liquidation value is determined pursuant to Article 2437-ter, paragraph 2, of the Italian Civil Code, without prejudice to the principles indicated further infra (as provided by Article 8.3 of the Articles of Association).

For purposes of determining the shares' liquidation value, if the withdrawal is exercised before the Company has concluded the Material Transaction (including the exercise of the right of withdrawal in the context of the Material Transaction pursuant to Article 15.4 of the Articles of Association), the Board of Directors (or the expert, in the case provided for by Article 2437-ter, paragraph 6, of the Italian Civil Code), in consideration of the Company's nature up until such date, will apply the criteria of the economic substance of the Company (a criteria that is consistent with Article 2437-ter, paragraphs 2 and 4, of the Italian Civil Code) and in doing so it will especially take into account the sums deposited in the Escrow Account.

The Shareholders have the right to be informed of the shares' determined liquidation value at least 15 days before the date when the Shareholders' Meeting is convened to vote on a

subject matter for which it is possible to exercise the right of withdrawal.

#### *15.2.5 Provisions of the Articles of Associations concerning the Issuer's Shareholders Meetings*

Below is an excerpt of the main provisions of the Company's Articles of Association providing rules for the Issuer's ordinary and extraordinary Shareholders Meetings, as well as for the Shareholders' Meeting of the holders of Special Shares.

For additional information, please refer to the Company's Articles of Association and to the applicable laws and regulations.

##### Convening

Pursuant to Article 11 of the Articles of Association, the Shareholders' Meeting is convened within the terms provided by applicable laws and regulations in effect through notice published in the Official Journal of the Republic (*Gazzetta Ufficiale della Repubblica*) or in at least one of the following newspapers: *il Sole 24 Ore*, *Milano Finanza* and *Italia Oggi*. The notice is also published on the Company's internet website.

The notice of meeting may also include a date for a second and further call, should the Shareholders' Meeting fail to legally convene during the previous meeting.

The Shareholders' Meeting may be convened also outside of the town where the head office is located, provided it is convened within the territory of Italy.

The ordinary Shareholders' Meeting convened for approving the financial statements must be convened within 120 days from the end of the financial year, or, in the cases indicated by Article 2364, paragraph 2, of the Italian Civil Code, and provided it is not forbidden by law, within 180 days from the end of the financial year. Even in the absence of a formal call, the Shareholders' Meeting is validly convened when the requirements established by law are met.

##### Voting and Participation Rights

Pursuant to Article 13 of the Articles of Association, the right to participate to the Shareholders' Meeting and to exercise voting rights are regulated by applicable current laws and regulations.

Those who enjoy voting rights may be represented by other subjects in the Shareholders' Meeting pursuant to law, by grant of proxy pursuant to the procedures and methods provided by applicable laws and regulations. The proxy may be notified to the Company also electronically, by e-mail, in adherence with the procedures indicated in the notice of meeting.

##### Chairing of the Shareholders' Meeting

Pursuant to Article 14 of the Articles of Association, the Shareholders' Meeting is chaired by the Chairman of the Board of Directors or, in case of absence, waiver or impossibility, by the Deputy Chairman or by one of the CEOs, if appointed and present; should none of the foregoing individuals be able to chair, the Shareholders' Meeting will elect its own Chairman by majority of the capital represented therein. The functions, powers and duties of the

Chairman are regulated by law.

The Chairman of the Shareholders' Meeting is assisted by a Secretary (who may or may not be a shareholder) chosen by the participants, and may, in turn, appoint one or more scrutineers (who may or may not be shareholders). If mandated by law or if deemed necessary by the Board of Directors or the Chairman, the minutes are drafted by a Notary chosen by the Chairman, who acts as Secretary.

The resolutions of the Shareholders' Meeting must be documented in the minutes, which are drafted in accordance with the laws and regulations from time to time in effect; the minutes must be executed by the Chairman and by the Secretary or Notary chosen by the Chairman.

#### Competences and quorums

Pursuant to Article 15 of the Articles of Association, the ordinary and extraordinary Shareholders' Meeting deliberate over the matters assigned to them by the Articles of Association, laws and regulations, including, where applicable, the AIM Italia Regulation.

The ordinary Shareholders' Meeting has competence to authorize directors to take the following actions:

- (i) implementation of the Material Transaction;
- (ii) up until the effective date of the Material Transaction, any use of the amounts deposited in the Escrow Account, that involved release of the Escrow Account; and
- (iii) up until the date of approval of the Material Transaction, financial borrowing, without prejudice to the possible advance payment of interests that will accrue in the Escrow Account, and granting of securities.

Without prejudice to Article 15 of the Articles of Association and to other provisions of the same Articles of Association, the resolutions of the ordinary and extraordinary Shareholders' Meeting are taken with the *quorums* requested by law.

The resolution of the Shareholders' Meeting approving changes to the company purpose in relation to the completion of the Material Transaction is subject to the fulfillment of both the following conditions subsequent: **(a)** exercise of the right of withdrawal by a number of shareholders representing at least 30% of the ordinary share capital, if these shareholders did not vote in favour of the changes to the company purpose that are necessary to implement the Material Transaction; and **(b)** completion of the procedure for liquidation of such withdrawing shareholders pursuant to Article 2437-*quater* of the Italian Civil Code by refund or annulment of a number of shares equal to at least 30% of the Company's Ordinary Shares. It is therefore understood that if the right of withdrawal is exercised by a number of shareholders representing more than 30% of the ordinary capital but, at the outcome of the option offer and/or of the placing to third parties of the shares of the withdrawing shareholders pursuant to Article 2437-*quater* of the Italian Civil Code, the Company refunded or annulled a number of Ordinary Shares representing less than 30% of the ordinary share capital, the condition subsequent will be deemed unfulfilled

Without prejudice to the principles established elsewhere in the Articles of Association, changes to (i) Article 15 of the Articles of Association, (ii) Articles 5.1 (with regard to the lack of indication of the nominal value), 6.3, 6.4, 6.5, 6.6, 7.3 e 28 of the Articles of Association, as

well as (iii) the characteristics of the Conditional Share Rights as set out in the corresponding regulation, that are not linked to the approval and/or implementation of the Material Transaction and/or, with exclusive reference to the changes under (iii), changes to the Conditional Share Rights other than those already provided by the same regulations, are approved by the extraordinary Shareholders' Meeting if they receive the favourable vote of a number of shareholders representing, during any call, at least 2/3 of the share capital with voting rights. For the sake of clarity, it must be noted that all the changes referred to under points (i), (ii) and (iii) above that are linked to the approval and/or implementation of, and/or resulting from the Material Transaction are approved by the extraordinary Shareholders' Meeting with the majorities requested by law.

#### Special Shareholders' Meeting

Pursuant to Article 12 of the Articles of Association, the special Shareholders' Meeting of the holders of Special Shares votes on the subject matters falling within its competence, as identified by the Articles of Association, by law and by regulations.

If the shareholders holding Special Shares are called upon to approve resolutions of the Shareholders' Meeting changing or adversely affecting their rights as holders of Special Shares, including changes to Article 12 and Articles 6.3, 6.4, 6.5, 6.6, 7.4, 15.4, 17.1 and 28 of the Articles of Association, then Article 2376 of the Italian Civil Code will find application. The resolutions listed in Article 12.2 of the Articles of Association (i) may be adopted also by separate vote by the holders of Special Shares in the context of the general Shareholders' Meeting and (ii) shall be validly adopted, in any call, with the presence and favourable vote of a number of holders of Special Shares representing at least 51% of the Special Shares that are from time to time outstanding.

If the holders of Special Shares are called upon to vote on matters other than those listed in Article 12.2 of the Articles of Association, including decisions concerning the candidates to be presented to the competent bodies of the Company for appointment of their members, such determinations are adopted with a separate vote by the holders of the Special Shares in the context of the general Shareholders' Meeting, without prejudice to the fact that such holders – should they deem it appropriate – are allowed to meet in a special Shareholders' Meeting. In this latter case: (i) the special Shareholders' Meeting is convened by notice sent to every entitled party via fax or e-mail sent to the addresses, fax numbers and other details listed in Article 5.5 of the Articles of Association at least 8 days before the date of the meeting, without prejudice to the fact that the meeting can also be held with the entire shareholding, and all directors and auditors present with the participation of the shareholding representing the entire capital of the Special Shares that are from time to time outstanding; (ii) the relevant law provisions and the provisions of the Articles of Association regulating the ordinary Shareholders' Meeting will find application for purposes of declaring the special Shareholders' Meeting duly formed and valid.

#### ***15.2.6 Provisions of the Articles of association that may delay, postpone or prevent a change to the Issuer's ownership structure***

The Articles of Association do not include any provision aimed at delaying, postponing or preventing a change to the Issuer's ownership structure.

***15.2.7 Provisions of the Articles of Association concerning changes to the ownership structure or relevant shareholdings***

The Issuer's Articles of Association include some provisions requiring notification of the public in case of changes to the assignment of shares.

More specifically, pursuant to Article 10.1 of the Articles of Association, for the whole period when the Ordinary Shares will be admitted to trading on AIM Italia, the Shareholders will be expected to notify to the Company any "Material Change", as defined in the AIM Rules for Companies, concerned with the shareholding held in the Company's share capital.

The notification of a "Material Change" shall be made within the terms and according to the procedures set out in the AIM Rules for Companies.

Failure to notify the Board of Directors of a "Material change" will determine the suspension of the voting rights associated with the Shares or the financial instruments for which the notification was omitted.

The Board of Directors has the right to request to the Shareholders information on their shareholdings in the share capital.

***15.2.8 Special provisions concerning changes to the share capital in the Articles of Association***

With regard to changes to the share capital, the Company's Articles of Association do not provide for more restrictive conditions than those provided by law.

## **16. RELEVANT AGREEMENTS**

The Company, from the date of incorporation until the Trading Admission Document Date, save for the information provided further infra, has not entered into any significant agreement other than those executed in the ordinary unfolding of its activity and/or agreements on whose basis the Issuer has taken on an obligation or has been assigned significant rights as of the Trading Admission Document Date.

The Company has opened an Escrow Account where 100% of the profits deriving from the Offer will be deposited.

It will be possible to use the Restricted Amounts only with the prior approval of the Shareholders' Meeting and only for the following purposes: (i) for purposes of implementing the Material Transaction; (ii) for purposes of refunding the shareholders that will exercise their right of withdrawal pursuant to Article 8 of the Articles of Association; (iii) in case of dissolution and subsequent liquidation of the Company, as indicated in further details in the Articles of Association.

Finally, it should be noted that, pursuant to Article 7.4 of the Articles of Association, up until the effective date of the Material Transaction or the dissolution of the Company, the Board of Directors will only be able to use the Available Amounts to carry out the ordinary management of the Company.



**17. INFORMATION PROVIDED BY THIRD PARTIES, EXPERTS' OPINIONS AND STATEMENTS OF INTERESTS**

**17.1 Experts' Reports and Opinions**

Without prejudice to the market sources indicated in the Trading Admission Document, the Trading Admission Document does not include any opinions or reports provided by experts.

**17.2 Information provided by third parties**

Where indicated, the information included in the Trading Admission Document are provided by third parties. The Company confirms that such information has been reproduced faithfully and that, to the best of the Issuer's knowledge, also on the basis of information published by the aforementioned third parties, no facts have been omitted that could make such information inaccurate or misleading.



**18. INFORMATION ON THE SHAREHOLDINGS**

As of the Trading Admission Document Date, the Issuer does not hold any shareholding.

**CHAPTER TWO**

**1. THE PARTIES RESPONSIBLE FOR THE TRADING ADMISSION DOCUMENT**

**1.1 The parties responsible for the trading admission document**

For information on the parties responsible, please refer to Chapter One , Section 1, Paragraph 1.1, of the Trading Admission Document.

**1.2 Statement issued by the entities responsible for the Trading Admission Document**

For information on Statement issued by the entities responsible for the Trading Admission Document, please refer to Chapter One, Section 1, Paragraph 1.2, of the Trading Admission Document.

## **2. RISK FACTORS**

For a detailed description of the risk factors concerning the Issuer as well as the sector where the Issuer operates and the admission to trading of the financial instruments, please refer to Chapter One , Section 4, of the Trading Admission Document.

### 3. FUNDAMENTAL INFORMATION

#### 3.1 Statement on the outstanding capital

The Directors, after conducting all the necessary and exhaustive investigations, deem the outstanding capital made available to the Company sufficient to meet the current needs, that is, for at least 24 months starting from the Trading Start Day.

#### 3.2 Reasons for the Offer and use of the profits

The Company, in order to gather the necessary financial resources to implement the Material Transaction, intends to proceed with an operation of placing and admission to trading on the AIM Italia of the Ordinary Shares and the Conditional Share Rights.

The Offer is exclusively targeted at: (i) qualified investors as defined by Articles 100 of the TUF and 34-ter, paragraph 1, letter b), of Regulation 11971, and to foreign institutional investors pursuant to *Regulation S* of the *United States Securities Act* of 1933 (to the exclusion of Australia, Canada, Japan and United States of America) and (ii) investors other than investors under (i), with procedures that, in terms of quality and quantity, will ensure that the Company does not fall into the area of application of the provisions regulating public offers of financial instruments provided by Articles 100 of the TUF and 34-ter of Regulation 11971.

#### Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (“**MiFID II**”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the “**MiFID II Product Governance Requirements**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the ordinary shares and the conditional share rights of SPAXS S.p.A. (the “**Securities**”) have been subject to a product approval process, which has determined that such Securities are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “**Target Market Assessment**”).

Notwithstanding the Target Market Assessment, Distributors should note that: the price of the Securities may decline and investors could lose all or part of their investment; the Securities offer no guaranteed income and no capital protection; and an investment in the Securities is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offer. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Manufacturers will only procure

investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Securities.

Each distributor is responsible for undertaking its own target market assessment in respect of the Securities and determining appropriate distribution channels.

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The Offer will be concerned with financial products for a minimum consideration of at least EUR 100,000.00 for each investor and for each separate offer.

The estimated profit deriving from the Offer, calculated on the basis of the Offering Price, is estimated in EUR 600,000,000.00 in case of full subscription of the maximum no. 60,000,000 of Ordinary Shares interested by the Offer.

100% of the estimated profits deriving from the Offer will be deposited in the Escrow Account in the Company's name.

In performing the research and selection activities of a target company that may be interested by the potential investment, the Company will be able to rely exclusively on the Available Amounts. More specifically, it is estimated that the Company's needs will include, in addition to the costs for admission to trading on the AIM and for due diligence, approximately EUR 900,000,000.00, for annual fixed costs, primarily originating from the Nomad fee, the Borsa Italiana fees, servicing activities, accounting, audit, costs for the Company's personnel, fees paid to the members of Board of Statutory Auditors and members of Board of Directors whose terms of payment have been negotiated consistently with the Company's cash needs.

Following approval of the Material Transaction by the Shareholders' Meeting, the Board of Directors will be able to manage the entire amount available in the Escrow account (net of any resources used for implementing the returns to those shareholders that exercised the right of withdrawal), the outstanding capital of the target Company that was acquired and will be able to resort, if necessary and appropriate, to leverage.

Following is a table showing the estimates of the available amounts deriving from the Offer and from execution of the Special Shares by the Promoting Companies, in case of full subscription.

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**Data in EUR**

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Deriving from full subscription of the Special Shares by the Promoting Companies	18,000,000.00
Deriving from full subscription of the Offer on the market	600,000,000.00

Total gross availability 618,000,000.00

Fees and expenses for Offer and quote, in case of full subscription 3,728,833.00

It should be noted that a portion of the fee to be paid to Banca IMI, Credit Suisse and Equita (as *Joint Global Coordinator* and *Joint Bookrunner*) shall be subject to the execution of the Material Transaction and, therefore, the relevant payment shall be deferred to the date of the execution of such Material Transaction, in any case upon completion thereof.

#### **4. INFORMATION ON THE FINANCIAL INSTRUMENTS TO BE OFFERED AND ADMITTED TO TRADING**

##### **4.1 Description of the financial instruments to be offered and/or to be admitted to trading**

The financial instruments for which admission to trading on the AIM Italia has been requested and interested by the Offer are the Ordinary Shares and the Issuer's Conditional Share Rights.

##### ***4.1.1 Description of the Ordinary Shares***

The Trading Admission Document deals with the admission to trading on the AIM Italia of the Company's Ordinary Shares.

The total number of Ordinary Shares interested by the Offer amounts to a maximum of no. 60,000,000 Ordinary Shares.

The Ordinary Shares, without indication of the nominal value and with regular dividend rights, originate from the Capital Increase approved by the extraordinary Shareholders' Meeting of the shareholders held on 17 January 2018, as subsequently amended on 25 January 2018.

The Ordinary Shares' ISIN code is the following: IT0005321317 .

##### ***4.1.2 Legislation regulating the issue of Ordinary Shares***

The Ordinary Shares have been issued pursuant to the laws of Italy.

##### ***4.1.3 Characteristics of the Ordinary Shares***

The Company's Ordinary Shares are registered shares, freely transferable, without indication of the nominal value, with regular dividend rights and granting dematerialized securities pursuant to Articles 83-*bis* ff. TUF and corresponding implementing regulations and are included in the centralized management system managed by Monte Titoli.

##### ***4.1.4 Currency of the Ordinary Shares***

The Ordinary Shares are issued in EUR.

##### ***4.1.5 Description of the rights associated to the Ordinary Shares***

The Ordinary Shares are registered shares, freely transferable and indivisible, with regular dividend rights and grant equal rights to their holders. Each Ordinary Share assigns the right to vote in the ordinary and extraordinary Shareholders' Meetings of the Company, as well as other property and administrative rights pursuant to applicable law provisions and Articles of Association provisions.



Pursuant to Article 27 of the Articles of Association, profits resulting from the duly approved financial statement, net of the amount to be put aside as statutory reserve, cannot be distributed to shareholders until the effective date of the Material Transaction.

***4.1.6 Resolutions, authorizations and approvals on whose basis the Ordinary Shares will be issued***

The Ordinary Shares have been issued on the basis of the resolutions taken by the Company's Shareholders' Meeting held on 17 January 2018 and on 25 January 2018.

For more information on the resolution of the Company's Shareholders' Meetings held on 17 January 2018 and on 25 January 2018, please refer to Chapter One, Section 15, Paragraph 15.1, of the Trading Admission Document.

***4.1.7 Issuing and availability dates of the Ordinary Shares***

Upon payment of the corresponding Price, the Ordinary Shares will be made available to the entitled persons in the deposit accounts held at Monte Titoli.

***4.1.8 Limitations to the free transferability of the Ordinary Shares***

No limitations to the possibility to freely transfer the Issuer's Ordinary Shares are mandated by provisions of the Articles of Associations or by conditions of issue.

The Ordinary Shares will be included in the centralised management and administration system managed by Monte Titoli, and subject to a dematerialization regime, pursuant to Articles 83-bis ff. of the TUF.

***4.1.9 Provisions mandating a public purchase offer and/or a residual purchase offer in relation to the Ordinary Shares***

Since the Company is not a company with securities admitted to trading on Italian regulated markets, the provisions included in the TUF and in the corresponding implementing regulations (including, especially, Regulation 11971) do not find application, with specific reference to the provisions addressing public takeover bids and public sale offers.

In accordance with the AIM Rules for Companies, the Issuer has provided in the Articles of Association that, starting from the date when the Ordinary Shares issued by the Company will be admitted to trading on the AIM Italia, the provisions applicable to listed companies included in the TUF and in Consob's implementing regulations on mandatory public takeover and exchange bids (limited to the rules established by Articles 106 and 109 of the TUF) will find application insofar as voluntarily recalled and applicable.

For additional information, please refer to Article 9 of the Articles of Association, available on the Company's internet website ([www.spaxs.it](http://www.spaxs.it)).

#### **4.1.10 Public takeover bids implemented by Third Parties on the Issuer's Ordinary Shares during the last financial year and in the current financial year**

The Company's financial instruments have not been interested by any public takeover bid or public exchange offer, nor has any public exchange offer been made by the Company on significant shares or parts of the capital of other companies or entities.

#### **4.2 Description of the Conditional Share Rights**

The Trading Admission Document is concerned with the admission to trading on the AIM Italia of the Company's Conditional Share Rights.

The Conditional Share Rights originate from the resolution of the extraordinary Shareholders' Meeting held on 17 January 2018 and on 25 January 2018.

The Conditional Share Rights have the following ISIN code: IT0005321291.

The number of Conditional Share Rights, called "*Conditional Share Rights SPAXS S.p.A.*", is no. 30,000,000 Conditional Share Rights.

The Conditional Share Rights shall be assigned as follows:

- (i) no. 1 Conditional Share Right shall be assigned free of charge every no. 10 Ordinary Shares executed in the context of the Offer and shall be tradable on AIM Italia separately from the Ordinary Shares starting from the Trading Start Day;
- (ii) no. 4 Conditional Share Rights shall be assigned free of charge every no. 10 Ordinary Shares issued and outstanding as of the effective date of the Material Transaction (in any case, to the exception of any Ordinary Share that may be held by the Company) and shall be issued on the effective date of the Material Transaction. The right to receive such Conditional Share Rights is incorporated in the aforementioned Ordinary Shares and will circulate together with such Ordinary Shares up until the effective date of the Material Transaction, which will be determined consistently with the calendar of Borsa Italiana, and from which date the additional Conditional Share Rights will begin to be traded separately from the Ordinary Shares.

##### **4.2.1 Law applicable to the issue of Conditional Share Rights**

The Conditional Share Rights are issued pursuant to Italian law.

##### **4.2.2 Characteristics of the Conditional Share Rights**

The Conditional Share Rights are bearer conditional share rights, freely transferable and admitted to the Monte Titoli centralized management system under a dematerialization regime pursuant to Articles 83-bis ff. of the TUF and corresponding implementing regulations.

The Conditional Share Rights circulate separately from the Ordinary Shares.

#### **4.2.3 Conditional Share Rights' Currency of Issue**

The Conditional Share Rights' reference currency is EUR.

#### **4.2.4 Description of the rights linked to the Conditional Share Rights and procedures for exercising such rights**

The Conditional Share Rights issued by the Company have the following characteristics: (i) assignment free of charge; and (ii) granting, to the holders, the right to receive a certain number of Ordinary Shares of the Issuer with a fixed assignment ratio calculated as no. 1 Ordinary Share for every no. 5 Conditional Share Rights on the first anniversary from the date in which the Material Transaction became effective.

For more information, please refer to the Conditional Share Rights Regulation available on the Issuer's internet website and attached to this Trading Admission Document.

#### **4.2.5 Resolutions, authorizations and approvals on whose basis the Conditional Share Rights will be issued**

The Conditional Share Rights have been issued on the basis of the resolutions taken by the Company's extraordinary Shareholders' Meetings held on 17 January 2018 and on 25 January 2018.

For more information on the resolutions of the Company's Shareholders' Meetings held on 17 January 2018 and on 25 January 2018, please refer to Chapter One, Section 15, Paragraph 15.1, of the Trading Admission Document.

#### **4.2.6 Issuing and availability dates of the Conditional Share Rights**

As specified in Paragraph 4.1.7 above, the Ordinary Shares and the Conditional Share Rights will be made available to the entitled persons in the deposit accounts held at Monte Titoli.

#### **4.2.7 Limitations to the free transferability of the Financial Instruments**

No limitations to the possibility to freely transfer the Issuer's Conditional Share Rights are mandated by provisions of the Articles of Associations or by conditions of issue.

The Conditional Share Rights will be included in the centralized management and administration system managed by Monte Titoli, and subjected to a dematerialization regime, pursuant to Articles 83-bis ff. of the TUF.

#### **4.2.8 Provisions mandating a public purchase offer and/or exchange of residual sale and purchase offers in relation to the financial instruments**

Please refer to Paragraph 4.1.9 of this Section 4 of the Trading Admission Document.

#### **4.2.9 Previous public takeover bids on the financial instruments**

Please refer to Paragraph 4.1.10 of this Section 4 of the Trading Admission Document.

### **4.3 Tax profiles**

#### **4.3.1 Definitions**

For purposes of this Paragraph 4.3 of the Trading Admission Document, the terms indicated in the document shall have the following meaning.

**“Transfer of Qualifying Shareholdings”**: transfer of shares, other than savings’ shares, rights or securities through which it is possible to purchase shares exceeding, over a period of twelve months, the limits for the qualification of Qualifying Shareholding. The twelve-month term starts from the date when the securities and the rights owned represent a percentage of the voting rights or shareholding which exceeds the aforementioned limits. With regard to the rights or securities through which shareholdings can be acquired, reference is made to the percentages of voting rights or shareholdings in the capital that may be linked to the shareholdings;

**“Transfer of Non-Qualifying Shareholdings”**: transfer for valuable consideration of shares, rights or securities through which shares may be acquired, other than a Transfer of Qualifying Shareholdings.

**“Non-Qualifying Shareholdings”**: shareholdings in companies other than the Qualifying Shareholdings;

**“Qualifying Shareholdings”**: shares, other than the savings’ shares, as well as rights or securities through which it is possible to purchase the aforementioned shares representing in the aggregate a percentage of voting rights in the Issuer’s ordinary Shareholders’ Meeting exceeding:

- 2% or a shareholding in the Issuer’s share capital or assets exceeding 5% in case of shares traded on regulated markets;
- 20% or a shareholding in the share or the assets exceeding 25%, in case of companies that are not listed on regulated markets.

With regard to the rights or securities through which shares can be purchased, consideration is given to the percentages of voting rights or shareholding in the share capital that may be linked to the shares.

#### **4.3.2 Tax regime of the Conditional Share Rights**

What follows is a mere overview of the tax regime applicable to the holding and transfer of Conditional Share Rights– pursuant to Italian tax laws – and applicable to some specific categories of investors; it does not provide a comprehensive analysis of all the possible tax consequences linked to the holding and transfer of such securities. For additional references and details on the tax regulations applicable to the aforementioned profits, please refer to the regulation provided by Legislative Decree no. 461 of 22 November 1997, as later amended

and integrated (the “**Legislative Decree 461/1997**”), by the Presidential Decree No. 917 of 22 December 1986 (“**TUIR**”) and by Legislative Decree No. 138 of 13 August 2011 (“**Legislative Decree 138/2011**”), as well as the additional related normative and administrative provisions.

Investors, therefore, are expected to request advice to their advisors on the tax regime applicable to the purchase, holding and transfer of conditional share rights.

In the future, legislative provisions may change the withholding tax rates on capital income and different types of financial income or the substitute tax rates on such income. The approval of such amendments to the regulations in force may, therefore, affect the tax regime of the conditional share rights that is described below.

Pursuant to the regulations in effect, in addition to practices already in effect, on the signing date of this Trading Admission Document, any capital gains originating from the transfer for consideration of the Conditional Share Rights for the subscription of shareholdings in companies located in Italy, unless they are grossed in the exercise of business, qualify as other profits of financial nature, and are subject to taxation pursuant to the same rules established for capital gains deriving from transfer of shareholdings (Articles 67 and ff. TUIR). In fact, the transfer of “*securities or rights through which shareholdings can be purchased*” (such as the Conditional Share Rights) are likened to transfers of shareholdings, and made subject to the same tax regime. More specifically:

- (a) capital gains realised between 1 January 2018 and 31 December 2018 originating from transfer of the Conditional Share Rights – carried out also towards multiple counterparties over the 12-month period, and even when they have been performed in different tax periods – which allow the acquisition of a Qualifying Shareholding, (considering, to this purpose, also direct transfers of shareholdings and other rights carried out within the same 12-month period), contribute to the calculation of the taxable income in the amount of 58.14% of their total amount. Pursuant to Article 2 of Ministerial Decree of 26 May 2017 (as defined further below), the lower taxable percentage of 49,72% still applies for capital gains and capital losses originating from transfers executed prior to 1 January 2018, but whose considerations are in whole or in part received from the same date;
- (b) the capital gains realised between 1 January 2018 and 31 December 2018 deriving from transfers of the Conditional Share Rights that – carried out still in the 12-month period, also towards different counterparties – do not allow, also in combination with the direct transfer of the shareholdings and other rights, the acquisition of a Qualifying Shareholding, are subject to a substitute tax with a 26% rate.

More specifically, in order to establish the limits for the qualification of Qualifying Shareholding, securities or rights through which Qualifying Shareholdings may be acquired must also be taken into account (for example: subscription and purchase conditional share rights, purchase options concerning shareholdings, the option rights indicated under Articles 2441 and 2420-*bis* of the Italian Civil Code, convertible bonds). As a result, it will be possible to qualify as a transfer of Qualifying Shareholding also the transfer of securities or rights that, considered either individually or together with the other transferred shareholdings, represent a percentage of the voting and shareholding rights which exceeds the limits indicated to define a Qualifying Shareholding. The percentage of voting and shareholding rights is the result of the sum of the transfers performed within the twelve-month period,

even if performed with different counterparties. Therefore, on the occasion of each transfer, it is necessary to consider all the transfers performed by the same person in the twelve months from the transfer date, even if falling in different tax periods. Therefore, if a person, after performing a first, non-qualified transfer, carries out – within twelve months from the first transfer – other transfers exceeding the aforementioned percentages of voting and shareholding rights, due to the aforementioned rule of accumulation, a transfer of Qualifying Shareholding will be considered as having been performed. However, the application of the rule requiring to take into account all the transfers performed over a twelve-month period is subject to the condition of the taxpayer holding, for at least one day, a shareholding exceeding the aforementioned percentages.

The capital gains realised from 1 January 2019 deriving from the transfers of the Conditional Share Rights are subject to a 26% substitute tax, regardless of whether the Conditional Share Rights allow for the acquisition of Qualifying Shareholdings.

Pursuant to Article 5, paragraph 5, of Legislative Decree 461/1997, capital gains resulting from transfers of conditional share rights which allow – also together with the direct transfer of shares – the acquisition of a Non-Qualifying Shareholding are not taxed in Italy, if they are realized by persons who reside for tax purposes in States and Territories that allow an adequate exchange of information with the Italian Tax Agency, provided that such States and Territories are included in the list established by the Ministry of Finance Decree of 4 September 1996, as subsequently amended, and without a permanent establishment in Italy to which such conditional share rights may actually be linked to.

Pursuant to Article 23, paragraph 1, letter f), point 1) of the TUIR, capital gains resulting from the transfer of conditional share rights which allow – also together with the direct transfer of shares – the acquisition of a Non-Qualifying Shareholding listed on the regulated market, provided that the conditional share rights are also not traded on regulated markets) are not taxed in Italy.

Conversely, capital gains realised between 1 January 2018 and 31 December 2018 by persons not resident in Italy and without a permanent establishment in Italy to which such conditional share rights may actually be linked to, as a result of the transfer of Conditional Share Rights which allow the acquisition of a Qualifying Shareholding, must be calculated for purposes of determining the taxable income of the recipient, but only for 58.14% of their total amount pursuant to Article 2 Of Ministerial Decree of 26 May 2017 (as defined further below). Such capital gains are subject to taxation only in the annual tax return. This is without prejudice to the possibility for non-residents to request that the non-taxation regime in Italy be applied under the international treaties against double taxation that are in effect between Italy and the applicant's country of residence.

The capital gains realised from 1 January 2019 by non-residents in Italy, without a permanent establishment in Italy to which such conditional share rights may actually be linked to, as a result of a transfer of Conditional Share Rights that allows acquiring a Qualifying Shareholding, are subject to a 26% substitute tax rate. This is without prejudice to the possibility for non-residents to request that the non-taxation regime in Italy be applied under the international treaties against double taxation that are in effect between Italy and the



applicant's country of residence.

The possibility to benefit from the aforementioned regimes of exemption from taxation on the capital gains by non-residents may be conditioned upon the filing of suitable documents certifying the existence of the necessary conditions for its application.

#### **4.3.3 Tax regime related to the Shares**

Information provided in the following paragraphs summarizes the tax regime applicable to the purchase, holding and transfer of Shares of the Company pursuant to current Italian tax laws and with regard to specific categories of investors.

These paragraphs will not provide a comprehensive analysis of the tax consequences linked to the purchase, holding and transfer of shares.

The tax regime applicable to the purchase, holding and transfer of shares presented further below is based on current laws as well as existing practice as of the Trading Admission Document Date, without prejudice to the fact that these laws and practice may change even retroactively, and are a mere introduction to the matter.

Laws and regulations may be enacted in the future to introduce changes to the rates of withholding taxes on income from capital and from other income of financial nature or the rates of the substitute tax applicable to the same types of income. The enactment of these amendments to the current laws and regulations may, therefore, affect the tax regime of the Company's shares, as described in the following paragraphs.

Investors are expected to consult their advisors on the tax regime applicable to the purchase, holding and transfer of the Shares and to verify the nature and origin of the amounts received as distributions on the Company's Shares (dividends or reserves).

#### **A. Tax regime applicable to dividends**

The dividends assigned to the Company's Shares will be subject to the ordinary taxation applicable to dividends paid by joint-stock Companies with tax residence in Italy.

The following different methods of taxation apply to the various categories of recipients.

##### *(i) Individuals residing in Italy for tax purposes not engaged in business activities*

Following the amendments introduced by Article 1, paragraphs 999-1006 of Law No. 205 of 27 December 2017 (the "**2018 Budget Law**"), the dividends earned from 1 January 2018 by individuals residing for tax purposes in Italy over shares, held outside of business activities, included in the centralised deposit system managed by Monte Titoli (such as the Shares of the Company interested by this Offer), are subject to a substitute tax with 26% rate, levied by the relevant intermediary, pursuant to Article 27-ter of Presidential Decree no. 600 of 19 September 1973 (hereinafter, the "**Presidential Decree 600/1973**") and Art. 3 of Law Decree of 24 April 2014 no. 66 (the "**Law Decree 66/2014**"); shareholders are not obligated to disclose the dividends received in their income tax return.

Such substitute tax is applied by the Italian financial intermediary where the securities are

deposited, who joined the centralised deposit system managed by Monte Titoli, as well as by the non-resident intermediaries (custodians) that have joined the Monte Titoli System or foreign centralized deposit systems that have joined the Monte Titoli System, through a tax representative appointed in Italy (more specifically, a bank or a SIM residing in Italy, a permanent establishment in Italy of non-resident banks or investment firms, or a centralized management company managing financial instruments that is authorized pursuant to Article 80 TUF).

However, the dividends paid to individuals residing in Italy for tax purposes over Shares held outside of business activities and amounting to Qualifying Shareholdings that (a) are paid out of profits earned until the fiscal year ongoing as of 31 December 2017; and, (b) distribution of which is resolved from 1 January 2018 to 31 December 2022, are not subject to any withholding or substitute tax, provided the entitled recipients, upon receipt of the dividends, indicate that the profits received are linked to Qualifying Shareholdings. Such dividends contribute only in part to the calculation of the overall taxable income of the shareholder subject to the individual income tax on individuals (“**IRPEF**”), which applies at progressive rates ranging between 23% and 43% (increased by municipal and regional surcharges).

The Decree of the Minister of Economy and Finance of 2 April 2008 (the “**Ministerial Decree 2 April 2008**”), implementing Article 1, paragraph 38, of Law No. 244 of 24 December 2007 (“**2008 Budget Law**”), adjusted to 49.72% the percentage for the calculation of the amount that is included in the taxable income. Such percentage applies to dividends paid out of the Company’s profits earned in the fiscal years following the fiscal year ongoing as of 31 December 2007. This is without prejudice to the 40% taxable percentage of the amount of dividends paid out of profits earned by the Company until the fiscal year ongoing as of 31 December 2007. Further, starting from shareholders’ resolutions following the shareholders’ resolution to distribute dividends paid out of profits earned by the Company in the fiscal year ongoing as of 31 December 2007, dividends shall be deemed to be paid out of profits earned by the Company up to the fiscal year ongoing as of 31 December 2007.

The Decree of the Minister of Economy and Finance of 26 May 2017 (the “**Ministerial Decree 26 May 2017**”), implementing Article 1, paragraph 64, of Law No. 208 of 28 December 2015, (“**2016 Stability Law**”), adjusted to 58.14% the percentage for the calculation of the amount that is included in the taxable income. Such percentage applies to dividends paid out of profits earned by the Company in the fiscal years following the fiscal year ongoing as of 31 December 2016. Further, starting from the shareholders’ resolutions following the shareholders’ resolution to distribute dividends paid out of profits earned by the Company in the fiscal year ongoing as of 31 December 2016, dividends shall be deemed to be paid out of profits earned by the Company up to the end of the fiscal year ongoing as of 31 December 2007, and then until the aforementioned fiscal year ongoing as of 31 December 2016.

(ii) *Individuals residing in Italy for tax purposes not engaged in business activities that hold non-qualifying shareholdings within the asset management regime (“Risparmio gestito” regime)*

Following the amendments introduced by Article 1, paragraphs 999-1006 of the 2018 Budget Law, the dividends received after 1 January 2018 by individuals residing in Italy for tax



purposes in relation to shares, held otherwise than in the context of a business, entrusted into an asset management relationship with an authorised intermediary, in relation to which the asset management regime (so called "*Risparmio gestito*" regime) option was exercised under Article 7 of Legislative Decree No. 461 of 21 November 1997 ("**Legislative Decree 461/1997**"), are not subject to any withholding or substitute tax and are included in the calculation of the annual accrued management result that is subject to a 26% substitute tax.

However, the dividends paid to individuals residing in Italy for tax purposes in relation to shares, held otherwise than in the context of a business and considered Qualifying Shareholdings that (a) are paid out of profits earned until the fiscal year ongoing as of 31 December 2017; and, (b) distribution of which is resolved from 1 January 2018 to 31 December 2022, cannot be subject to the above-mentioned asset management regime. These dividends are partially included in the taxable income of the shareholder subject to income tax imposed on individuals ("**IRPEF**"), as described in the paragraph above.

*(iii) Individuals residing in Italy for tax purposes engaged in business activities*

Dividends paid to individuals residing in Italy for tax purposes over Shares related to business activity are not subject to any withholding or substitute tax, provided that the entitled persons, upon receipt, declare that the dividends received are associated with shareholdings linked to business activities. Such dividends concur in part to the calculation of the overall shareholder's taxable income.

The Ministerial Decree 2 April 2008, implementing Article 1, paragraph 38, of 2008 Budget Law, adjusted to 49.72% the percentage for the calculation of the amount that is included in the taxable income. Such percentage applies to dividends paid out of the Company's profits earned in the fiscal years following the fiscal year ongoing as of 31 December 2007. This is without prejudice to the 40% taxable percentage of the amount of dividends paid out of profits earned by the Company until the fiscal year ongoing as of 31 December 2007. Further, starting from shareholders' resolutions following the shareholders' resolution to distribute dividends paid out of profits earned by the Company in the fiscal year ongoing as of 31 December 2007, dividends shall be deemed to be paid out of profits earned by the Company up to the fiscal year ongoing as of 31 December 2007.

The Ministerial Decree 26 May 2017, implementing Article 1, paragraph 64, of 2016 Stability Law, adjusted to 58.14% the percentage for the calculation of the amount that is included in the taxable income. Such percentage applies to dividends paid out of profits earned by the Company in the fiscal years following the fiscal year ongoing as of 31 December 2016. Further, starting from the shareholders' resolutions following the shareholders' resolution to distribute dividends paid out of profits earned by the Company in the fiscal year ongoing as of 31 December 2016, dividends shall be deemed to be paid out of profits earned by the Company up to the end of the fiscal year ongoing as of 31 December 2007, and then until the aforementioned fiscal year ongoing as of 31 December 2016.

Provided some conditions are met, individuals residing in Italy for tax purposes and engaged in business activities are allowed to opt for the tax on business income regime (*Imposta sul Reddito d'Impresa*; hereinafter, "**IRI**") in relation to income deriving from their

own business activity. In this case, the dividends concur in the calculation of the taxable income according to the ordinary rules on business income set out under Chapter 6, Title 1 of TUIR and are subject to income tax at a 24% rate. Any subsequent withdrawal of resources from the business activity should be fully taxed for IRPEF purposes towards the natural person and deducted from the IRI taxable base.

*(iv) Partnership (società in nome collettivo) and comparable companies (società equiparate), limited partnership (società in accomandita semplice) and comparable companies, general partnership (società semplici) and comparable companies regulated by Article 5 TUIR, companies and entities regulated under Article 73, paragraph 1, letters a) and b) TUIR, residing in Italy for tax purposes*

Dividends received from partnership and comparable companies, limited partnership and comparable companies, general partnerships and comparable companies regulated under Article 5 TUIR, from companies and entities regulated under Article 73, paragraph 1, letters a) and b), TUIR (*i.e.* joint-stock companies and limited partnership with share capital (*società in accomandita per azioni*), limited liability companies (*società a responsabilità limitata*), public and private entities, other than companies, whose exclusive or primary purpose is the performance of commercial activities), that are resident in Italy for tax purposes, are not subject to any withholding or substitute tax in Italy and concur in the calculation of the overall taxable income of the recipient according to the following methods, irrespective of the entity of the shareholding:

- (a) distributions to Italian partnerships (*e.g.* partnerships, limited partnerships, general partnerships) are partially included in the calculation of the overall taxable base of the recipient.

The Ministerial Decree 2 April 2008, implementing Article 1, paragraph 38, of 2008 Budget Law, adjusted to 49.72% the percentage for the calculation of the amount that is included in the taxable income. Such percentage applies to dividends paid out of the Company's profits earned in the fiscal years following the fiscal year ongoing as of 31 December 2007. This is without prejudice to the 40% taxable percentage of the amount of dividends paid out of profits earned by the Company until the fiscal year ongoing as of 31 December 2007. Further, starting from shareholders' resolutions following the shareholders' resolution to distribute dividends paid out of profits earned by the Company in the fiscal year ongoing as of 31 December 2007, dividends shall be deemed to be paid out of profits earned by the Company up to the fiscal year ongoing as of 31 December 2007.

The Ministerial Decree 26 May 2017, implementing Article 1, paragraph 64, of 2016 Stability Law, adjusted to 58.14% the percentage for the calculation of the amount that is included in the taxable income. Such percentage applies to dividends paid out of profits earned by the Company in the fiscal years following the fiscal year ongoing as of 31 December 2016. Further, starting from the shareholders' resolutions following the shareholders' resolution to distribute dividends paid out of profits earned by the Company in the fiscal year ongoing as of 31 December 2016, dividends shall be deemed to be paid out of profits earned by the Company up to the end of the fiscal year ongoing

as of 31 December 2007, and then until the aforementioned fiscal year ongoing as of 31 December 2016;

Dividends paid to general partnership (“*società semplici*”) and comparable entities regulated by art. 5 TUIR, should concur in the calculation of the taxable income according to the income inclusion percentages provided for by The Ministerial Decree 26 May 2017 and The Ministerial Decree 2 April 2008, as described above. Under a different interpretation currently followed by a minority of scholars, that assumes the implicit repeal of the above mentioned Ministerial Decree 26 May 2017 and Ministerial Decree 2 April 2008 with respect to general partnership (“*società semplici*”) due to a lack of coordination among the various provisions following the amendments introduced by Article 1, paragraphs 999-1006 of the 2018 Budget Law, dividends paid to general partnership (“*società semplici*”) and comparable entities regulated by art. 5 TUIR, could concur for their entire amount in the calculation of the taxable income.

- (b) Distributions to corporations and other business entities subject to IRES (e.g. joint-stock companies, limited liability companies, limited partnerships with share capital) concur in the calculation of the overall taxable profits of the recipient (subject to IRES ordinary rate of 24% starting from the financial year following the one ongoing as of 31 December 2016, save for the Bank of Italy and the financial institutions and bank listed in Legislative Decree of 27 January 1992, no. 87 – save for Italian management companies of collective investment vehicles and financial brokers regulated by Legislative Decree 24 February 1998 no. 58 – to which a 3.5 additional IRES surcharges is applied, which results in a total IRES taxation of 27.5%) limited to only 5% of their amount, or with regard to the entire amount if they derive from securities held for trading (pursuant to art. 2 of The Ministerial Decree 10 January 2018, which is still expected to be published in the Official Journal of the Republic of Italy as of the signing date of this Trading Admission Document) by persons applying the IAS/IFRS International accounting principles.

For some types of companies (such as banks and other financial companies, insurance companies, etc.) and under certain conditions, the dividends received concur in part to the taxable base that is subject to the regional tax on productive activities (*Imposta Regionale sulle Attività Produttive*, IRAP).

(v) *Entities indicated under Article 73, paragraph 1, letter c) TUIR, resident in Italy for tax purposes*

Dividends received by the entities indicated under Article 73, paragraph 1, letter c) TUIR, that is, public or private entities residing in Italy for tax purposes, other than companies, whose exclusive or primary purpose is not a commercial activity, are not subject to any withholding or substitute tax in Italy and concur in the calculation of the taxable profits for 100% of their amount (without prejudice to what is provided for below under subparagraph A(vii)) for the O.I.C.R. indicated under Art. 73, paragraph 5-*quinquies* TUIR). Pursuant to Art. 1, paragraph 3, of Ministerial Decree 26 May 2017, the dividends paid out of profits earned by the Company up until the fiscal year ongoing as of 31 December 2016, do not concur in the calculation of the taxable profits in the amount of 22.26% of their amount.

(vi) *Persons excluded from application of the corporate income tax residing in Italy*

With regard to the shares, such as the Shares issued by the Company, included in the centralized deposit system managed by Monte Titoli, the dividends received by persons who reside in Italy that are exempt from application of the corporate income tax (IRES) are subject to a substitute tax with a 26% rate applied by the intermediary (that joined the centralized deposit system managed by Monte Titoli) where the shares have been deposited, or, through a tax representative appointed in Italy by the non-resident intermediary (custodian) that joined the Monte Titoli system or foreign centralized deposit systems associated with the Monte Titoli system.

Conversely, this substitute tax does not apply to those persons that are “excluded” from application of the income tax pursuant to Art. 74, paragraph 1, TUIR (State bodies and administrations, including those enjoying autonomy, even when granted legal personality, municipalities, consortiums between local entities, associations and entities managing public assets, mountain communities, provinces and regions).

(vii) *Italian retirement funds and collective investment vehicles (Investment funds and S.I.C.A.V.)*

Profits received by (a) Italian retirement funds regulated by Legislative decree No. 252 of 5 December 2005 (“**Decree 252**”) and (b) by collective investment vehicles established in Italy, other than collective investment vehicles in real estate assets, and by those with registered office in Luxembourg, already authorized to trading in Italy, regulated by Article 11-*bis* of L Decree no. 512 of 30 September 1983, subject to regulation provided by Article 73, paragraph 5-*quinquies*, TUIR (hereinafter, the “**O.I.C.R**”), are not subject to a withholding tax nor to a substitute tax.

Profits received by (a) Italian retirement funds regulated by Decree 252 concur in the calculation of the overall accrued annual result that is subject to a 20% substitute tax, while those received by (b) the O.I.C.R. regulated by Article 73, paragraph 5-*quinquies*, TUIR are not subject to income tax, provided the fund or the entity managing the fund is subject to prudential supervision; conversely, participants to the O.I.C.R. are taxed upon receipt of the profits distributed by the O.I.C.R.

Article 1, paragraph 92 and ff. of Law No. 232/2016 has provided, with regard to the retirement funds in question, commencing from 1 January 2017, following the fulfillment of certain conditions (including a minimum holding period of 5 years) and with certain limitations, for an exemption to the substitute tax on income (including dividends) deriving from qualified investments pursuant to the cited paragraph 92 (among which, the Shares) and, therefore, such amount shall not be included in the calculation of the taxable base under Article 17 of Decree 252. Recovery mechanisms for substitute the tax on the accrued annual result are provided, if the Company’s shares are transferred before the minimum required 5-year holding period has lapsed.

(viii) *Real Estate Investment Funds*

Pursuant to Law Decree no. 351 of 25 September 2001 (“**Decree 351**”), converted (with amendments) into Law no. 410 of 23 November 2001 and following amendments introduced

by Article 41-*bis* of Law Decree no. 269 of 30 September 2003, converted (with amendments) into Law 326/2003 ("**Decree 269**"), the distributions of profits received by the Real Estate Investment Funds established pursuant to Article 37 Italian Financial Act or Article 14-*bis* of Law no. 86 of 25 January 1994 ("**Law 86**"), as well as by the real estate investment funds established before 26 September 2001 for which the option – under Article 5, paragraph 4 of Decree 351 – was exercised before 25 November 2001, are not subject to withholding tax nor to substitute tax.

Such funds are excluded from application of income taxes and regional tax on productive activities. The distributions deriving from interest in the aforementioned funds are subject to a 26% tax applied to the recipients, as an advance payment of income taxes or as a final withholding tax (depending on the legal nature of the recipient). Such 26% withholding tax does not apply on distributions paid to qualified investors, that are beneficial owners of such distributions and are residing for tax purposes in foreign states guaranteeing an adequate exchange of information with the Italian tax authority (for example, in case the recipient and beneficial owner is a foreign retirement fund or a regulated foreign collective investment vehicle, provided they are established in states and territories included in the list provided by the Decree of the Ministry of Finance of 4 September 1996, as subsequently amended, no withholding tax will be applied by the Italian real estate investment fund).

In certain cases, the income received from an Italian non-institutional real estate investment fund may be attributed to, on a tax transparency basis (and therefore included in the calculation of the taxable income in Italy of) the relevant non-institutional investors that hold units representing more than 5% of the fund's net asset value.

*(ix) Persons not resident in Italy for tax purposes who hold the shares through a permanent establishment in Italy*

The distributions of profits received by persons who do not reside in Italy for tax purposes and that hold the shareholding through a permanent establishment in Italy to which the shareholding is actually linked, are not subject to any withholding tax nor to a substitute tax in Italy, and concur in the calculation of the taxable income of the permanent establishment in the amount of 5% of their amount, or for the full amount if they are linked to securities held for trading purposes (pursuant to art. 2 of The Ministerial Decree 10 January 2018, which is still expected to be published in the Official Journal of the Republic of Italy as of the signing date of this Trading Admission Document) by persons applying the IAS/IFRS International accounting principles.

For some types of companies that hold the shareholding through a permanent establishment in Italy (such as, banks and other financial entities, insurance companies, etc.) and under certain conditions, the dividends received also concur in the calculation of the corresponding value of the net production that is subject to regional tax on productive activities (IRAP).

If the distributions derive from a shareholding that is not linked to a permanent establishment in Italy by the non-resident recipient, reference should be made to the following paragraph.

*(x) Persons not resident in Italy for tax purposes who do not hold the shares through a permanent establishment in Italy*



The dividends, deriving from shares or analogous securities included in the centralised deposit system managed by Monte Titoli (such as the Shares of the Company interested by this offer), received by persons that are not resident in Italy for tax purposes, without a permanent establishment in Italy to which the shareholding is associated, are subject to a 26% substitute tax pursuant to Art. 27-*ter* of Presidential Decree 600/1973 and Art. 3 of Law Decree 66/2014.

This substitute tax is applied by intermediaries resident in Italy where the securities are deposited, which joined the centralised deposit system managed by Monte Titoli, as well as by a tax representative appointed in Italy (more specifically, a bank or a SIM residing in Italy, a permanent establishment in Italy of non-resident banks or investment firms, or a company for the centralized management of financial instruments that has been authorized pursuant to Article 80 TUF) of non-resident intermediaries which joined the Monte Titoli system or foreign centralized deposit systems which joined the Monte Titoli system.

Shareholders not residing in Italy for tax purposes, other than shareholders holding saving shares, retirement funds described in the second paragraph of paragraph 3 of Article 27 of Presidential Decree No, 600/1973, companies and entities that are residents in one of the Member States of the European Union or in one of the States that have joined the Agreement on the European Economic Area, indicated in Article 27 paragraph 3-*ter* of Presidential Decree No, 600/1973, which will be addressed further below, are entitled, after filing a refund request pursuant to the conditions and terms established by law, to a refund of the tax that they demonstrate they have paid abroad on those same dividends, provided that they submit the relevant certification of the tax office of the foreign state to the Italian tax authorities, up to 11/26 of the substitute tax applied in Italy pursuant to Article 27-*ter* of Presidential Decree No, 600/1973.

As an alternative to the aforementioned refund, the person recipient in states with which Italy has entered into a double tax treaty may request application of a substitute tax on the income tax in the (reduced) amount provided by the double tax treaty from time to time applicable. To this purpose, the intermediaries where the shares have been deposited, which joined the centralised deposit system managed by Monte Titoli, must acquire promptly:

- a statement by the non-resident person who is the beneficial owner of the dividends, indicating its personal details, fulfillment of all the conditions upon which application of the agreement is made conditional and any element that may be necessary to determine the amount of the applicable rate pursuant to the agreement;
- a certification of residency by the relevant tax authority of the State where the beneficial owner of the dividends resides. This certification will be effective until the 31st of March of the year following that of filing.

Furthermore, the Italian Tax Authority has developed in cooperation with the financial administrations of some foreign states a specific set of forms with a view to guarantee a more efficient and prompt refund or total or partial exclusion from taxation in Italy. With a Regulation by the Director of the Italian Tax Authority of 10 July 2013, the forms were approved for requesting a reduced rate based on the double tax treaties entered into by Italy. If the documents are not presented to the custodian of the Shares before payment of the dividends, a 26% substitute tax is applied. In this case, the beneficial owner of the dividends

is allowed to request to the tax Authority a refund of the difference between the higher withholding tax actually applied and the lower withholding tax rate that is applicable pursuant to the relevant double tax treaty, by filing a specific application for refund, supported by the aforementioned documents, to be filed according to the conditions and terms established by law.

If the recipients and beneficial owners of dividends are companies or entities (i) resident for tax purposes in one of the Member States of the European Union or in one of the States that have joined the Agreement on the European Economic Area and are included in the list provided by Decree of the Ministry of Finance of 4 September 1996, as subsequently amended, and (ii) subject to a corporate income tax there, the dividends are subject to a 1.2% substitute tax on the corresponding amount.

Recipients and beneficial owners of dividends who qualify as retirement funds established in one of the Member States of the European Union or in one of the States that have accessed to the Agreement on the European Economic Area and are included in the list provided by Decree of the Ministry of Finance of 4 September 1996, as subsequently amended, may benefit from the application of a 11% substitute tax of the corresponding amount.

Article 1, paragraph 95 of Law No. 232/2016 has provided, with regard to the retirement funds in question, commencing from 1 January 2017, following the fulfillment of certain conditions (including a minimum holding period of 5 years) and with certain limitations, for the non-application of the above-mentioned substitute tax on dividends deriving from qualified investments pursuant to paragraph 95 of said Law (among which, the Shares).

The dividends attributable to international entities or bodies that benefit from the tax exemption in Italy pursuant to law or international agreements as implemented in Italy are not subject to the substitute tax.

Pursuant to Article 27-*bis* of Presidential Decree 600/1973, implementing Directive No. 435/90/EEC of 23 July 1990, then incorporated in Directive No. 2011/96/EU of 30 November 2011, if the dividends are received by a company (a) whose legal form is one of those listed in the Annex to Directive no. 435/90/EEC, (b) and is resident for tax purposes in one of the Member States of the European Union, without being considered, pursuant to a double tax treaty with a third country, a resident of a country outside of the European Union, (c) and is subject, in the State of residence, without possibility to benefit from optional or exemption regimes that are not geographically or temporally limited, to one of the taxes indicated in the Annex to the aforementioned Directive and (d) which holds a direct shareholding in the Company not lower than 10% of the share capital for a continuous period of at least 1 (one) year, such company is entitled to request to the Italian tax authorities a refund for the substitute tax applied to the dividends that it received. To this purpose, the non-resident company must file (x) a certificate, issued by the relevant tax authorities of the foreign state, certifying that the non-resident company meets the aforementioned prerequisites indicated at letters (a), (b) and (c), as well as (y) a statement by the same company certifying the existence of the conditions requested for the application of the aforementioned Art. 27-*bis*, including the requirement indicated under letter (d), all drafted on a standardized form that

is consistent with the one approved by the Director of the Tax Authority on 10 July 2013 (no. 2013/84404). Furthermore, according to clarifications provided by the Italian tax authorities, upon fulfillment of one of the aforementioned conditions and as an alternative to the filing of a request for refund after the distribution of the dividends, and provided the 1-year minimum period of holding of the shareholding in the company has already elapsed when the dividend is distributed, the non-resident company is allowed to directly request to the intermediary custodian of the Shares the non-application of the substitute tax, by filing with such intermediary the aforementioned documents.

The aforementioned Directive no. 2011/96/EU has been recently amended by Directive no. 2015/121/EU of 27 January 2015, in order to introduce in the original text an anti-abuse provision, pursuant to which the tax authorities of each Member State of the European Union are allowed to disregard application of the tax exemption provided by the Directive with respect “... to an arrangement or a series of arrangements which, having been put into place for the main purpose or one of the main purposes of obtaining a tax advantage that defeats the object or purpose of this Directive, are not genuine having regard to all relevant facts and circumstances”. To this purpose “... an arrangement or a series of arrangements shall be regarded as not genuine to the extent that they are not put into place for valid commercial reasons which reflect economic reality” (see paragraphs 2 and 3 of the new Art. 1 of the Directive). Pursuant to paragraph 5 of Art. 27-bis, Presidential Decree 600/1973, the aforementioned Directive EU no. 2015/121/EU “Is implemented by the domestic legal system by way of the application of Article 10-bis of Law 27 July 2000, no. 212”, providing regulations on the abuse of law.

#### ***B. Tax regime applicable to the distribution of reserves pursuant to Article 47, paragraph 5 TUIR***

Information provided in this paragraph summarise the tax regime applicable to the distribution by the Company – in cases other than decrease of excess capital, withdrawal, exclusion, redemption or liquidation – of the capital reserves indicated under Article 47, paragraph 5, TUIR, that is, among other things, of the reserves or other funds established with share premium contributions, with adjustment interests paid by the subscribers, with non-returnable or capital account payments made by shareholders and with non-taxable inflation adjustment payments (hereinafter also “**Equity Reserves**”).

Art. 47, paragraph 1, last line, TUIR establishes an absolute presumption of priority in the distribution of profits by the Company as regulated by Art. 73 TUIR: “*Irrespective of the resolution of the Shareholders’ Meeting, the profits of the financial year and the reserves, other than those indicated in paragraph 5, for any portion thereof not earmarked to a tax-deferred reserve, are presumed to have been distributed with priority*”. Provided such reserves do exist and up to their amount (the so-called “earnings’ reserves”), therefore, the amounts distributed are considered as dividends and are subject to the tax regime indicated in the previous paragraphs.

(a) Individuals residing in Italy for tax purposes and general partnerships



Pursuant to Article 47, paragraph 1, TUIR, regardless of what holders have resolved upon in the shareholders' meeting, the amounts received as distribution out of Equity Reserves of the Company by Italian resident individuals who do not hold the Shares in connection with a business activity are deemed to be, and treated as, profits for the recipients to the extent that the Company has current year profits and retained profits (except for any portion thereof earmarked to a tax-deferred reserve or reserves not freely available). Amounts treated as profits are subject to the same tax regime described above for dividends. Amounts received as distributions out of Equity Reserves, net of any amount already treated as profits as per the above, reduce the holder's tax basis in the Company's Shares correspondingly. It follows that, upon implementation of the subsequent transfer, the taxable capital gain is the result of the difference between the sale price and the shareholding's tax basis reduced by an amount equal to the distributions qualified as Equity Reserves (net of the amount that may be qualified as earnings). Pursuant to the interpretation adopted by the Italian tax Authority, distributions out of Equity Reserves that are in excess of the holders' tax basis in the Company's Shares are treated as dividends for tax purposes; such qualification can be applied also to when the recipient is a general partnership ("*società semplice*") along with the application of the corresponding tax regime for dividends.

With regard to those shareholdings for which the individual opted for the so-called "*risparmio gestito*" regime set out under Article 7 of Legislative Decree 461/1997, absent any clarification from the Italian Tax Authority, and following a systematic interpretation of the provisions, the amounts distributed that qualify as distributions of Equity Reserves should be considered in the determination of the accrued annual result for the tax period when the distribution is made. Also, the value of the shareholdings measured at the end of the relevant tax period (or when the "*risparmio gestito*" regime is terminated, whichever is the earlier) must be included in the calculation of the annual accrued management result which is subject to a 26% substitute tax.

(b) Partnerships, limited partnerships and comparable companies listed under Article 5 TUIR, partnerships, companies and entities listed under Article 73, paragraph 1, letters a) and b), TUIR, residing in Italy for tax purposes.

With regard to the partnerships and limited partnerships and comparable companies (excluding general partnerships) listed under Article 5 TUIR, and the companies and entities listed under Article 73, paragraph 1, letters a) and b), TUIR, residing in Italy for tax purposes, the amounts received as distribution out of Equity Reserves of the Company are deemed to be, and are treated as, profits for the recipients to the extent that the Company has current year profits and retained profits (except for any portion thereof earmarked to a tax-deferred reserve or reserves not freely available). Amounts treated as profits should be subject to the same tax regime described above for dividends (see under A(iv)). Amounts received as distributions out of Equity Reserves, net of any amount already treated as profits as per the above, reduce the holder's tax basis in the Company's Shares correspondingly. Distributions out of Equity Reserves that are in excess of the holders' tax basis in the Company's Shares are treated as capital gains for tax purposes and should be subject to the same regime described in the subsection "*C. Tax regime of the capital gains deriving from the transfer of Shares*" below..

(c) Entities indicated under Article 73, paragraph 1, letter c) TUIR, resident in Italy for tax purposes

Amounts received as distributions out of Equity Reserves, net of any amount treated as profits, by the entities indicated under Article 73, paragraph 1, letter c) TUIR, that is, public or private entities other than companies (not including collective investment vehicles, "OICR") and trusts, that do not have as their exclusive or main purpose the exercise of commercial activities, which have their tax residence in Italy, are not considered as income for the taxpayer and reduce by the same amount the tax basis in the Company's Shares. Distributions out of Equity Reserves that are in excess of the holders' tax basis in the Company's Shares not held in connection with a business activity are treated as dividends for tax purposes and are subject to the regime described in subparagraph A(v) above.

(d) Persons exempt from corporate income tax

Amounts received as distributions out of Equity Reserves, net of any amount treated as profits, by Italian residents that are exempt from corporation income tax (IRES), are not considered as income in the hands of the taxpayer and reduce by the same amount the tax basis in the Company's Shares. Distributions out of Equity Reserves that are in excess of the holders' tax basis in the Company's Shares are treated as dividends for tax purposes and are subject to the regime described in subparagraph A(vi) above.

(e) Italian retirement funds and collective investment vehicles (Investment funds and S.I.C.A.V.)

Based on a systematic interpretation of the provisions, the amounts received by the Italian retirement funds as distribution of Equity Reserves should be taken into account to determine the accrued result for the tax period when the distribution occurred. The accrued result is subject to a 20% substitute tax.

Article 1, paragraph 92 and ff. of Law No. 232/2016 has provided, with regard to the retirement funds in question, commencing from 1 January 2017, following the fulfillment of certain conditions (including a minimum holding period of 5 years) and with certain limitations, for the exemption from income tax on income deriving from investment pursuant to the cited paragraph 92 (among which, the Shares) and, therefore, such amount shall not be included in the calculation of the taxable base under Article 17 of Decree 252. Recovery mechanisms for the substitute tax on the accrued result are provided for, if the Company's shares are transferred before the minimum required 5-year holding period has lapsed.

As mentioned, the O.I.C.R.s established in Italy subject to supervision (other than the Real Estate O.I.C.R.s) are exempt from income tax under Article 73, paragraph 5 *quinquies* of the TUIR and the sums received by the O.I.C.R. as distributions of Equity Reserves should not be subject to any taxation in the hands of the O.I.C.R..

(f) *Real Estate Investment Funds*

In accordance with Decree 351, the sums received by Italian Real Estate Investment Funds as distributions of Equity Reserves are neither subject to withholding tax nor substitute tax. These funds are not subject to income tax or regional business tax (IRAP).

Following the fulfillment of certain conditions, the income received from a non-institutional Italian real estate investment fund may be attributed to, on a tax transparency basis, (and therefore included in the calculation of the taxable income of) the relevant non-institutional investors that hold units representing more than 5% of the real estate fund's net asset value.

(g) *Persons that are not resident in Italy for tax purpose without a permanent establishment in Italy*

With regard to persons not resident in Italy for tax purposes (be them individuals or joint-stock companies), without a permanent establishment in Italy to which the Shares are actually linked, the qualification for tax purposes of the amounts received as distributions of Equity Reserves is the same as the one described above for individuals resident in Italy for tax purposes. The amounts received as distributions of Equity Reserves, net of any amount that may be qualified as earning, reduce the shareholding's tax basis of an equal amount.

(h) *Persons that are not resident in Italy for tax purposes with a permanent establishment in Italy*

With regard to persons that are not resident in Italy who hold the shareholding through a permanent establishment in Italy, the amounts received as distributions out of Equity Reserves are subject to the same tax regime as applicable to Italian resident companies and other business entities referred to under Article 73, paragraph 1, letters a) and b) TUIR.

If the distribution of Equity Reserves originates from a shareholding that is not connected to a permanent establishment in Italy of the non-resident recipient, reference should be made to the rules indicated under subparagraph B(g) above.

**C. Tax regime of the capital gains deriving from transfer of Shares**

(i) *Individuals resident in Italy for tax purposes not engaged in business activities and general partnerships*

Following the amendments introduced by Article 1, paragraphs 999-1006 of the 2018 Budget Law, The tax regime of capital gains and capital losses realized from 1 January 2018 to 31 December 2018 by Italian resident individuals and general partnerships ("*Società semplici*") upon transfer for consideration of the Company's Shares (as well as of securities or rights whereby Company's Shares may be acquired), other than capital gains and capital losses realized in connection with a business activity, depends on whether the transfer is a Transfer of Qualified Shareholdings or a Transfer of Non-Qualified Shareholdings.

Transfer of Qualifying Shareholdings

Capital gains deriving from the Transfer of a Qualifying Shareholding are included for 58.14

% of their total amount in the IRPEF taxable income of the receiver, net of the corresponding quota of the relevant capital losses. With regard to such capital gains, taxes are applied in the annual tax return.

If the transfer of Qualifying Shareholdings gives rise to a capital loss, 58.14% of the corresponding quota is deducted, up to the taxable amount of capital gains of the same nature generated in the following tax periods, but only within the following four periods, provided such capital loss is indicated in the tax return related to the tax period in which the loss was generated.

Pursuant to Article 2 of Ministerial Decree of 26 May 2017, only 49.72% (instead of 58.14%) of the capital gains and capital losses is included in the IRPEF taxable income if they derive from transfers executed by individuals not engaged in business activities prior to 1 January 2018, but whose amounts are in whole or in part received since that same date and for the capital gains and losses incurred by general partnerships, also after 1 January 2018 and before 1 January 2019.

#### Transfer of Non-Qualifying Shareholdings

Capital gains realized upon Transfer of Non-Qualifying Shareholdings, as well as securities or rights through which the aforementioned shareholdings can be acquired, are subject to a 26% substitute tax. The taxpayer can choose one of the following three tax regimes:

- (a) Tax return regime (Article 5 of Legislative Decree No. 461/1997). Capital gains and capital losses realized during the year must be reported in the tax return. The 26% substitute tax due on the capital gains, net of the corresponding capital losses, is determined in the tax return and is paid within the term for paying the balance of the annual income tax. The capital losses in excess of capital gains, provided they have been reported in the tax return, may be carried forward and offset, until the fourth year following the year in which the net capital losses are realized, against capital gains of the same nature realized after June 30, 2014, but up to the following amount, in accordance with Legislative Decree No. 66/2014, in case of capital losses realized up to June 30, 2014: (a) 48.08 percent of the relevant capital losses realized before January 1, 2012, and (b) 76.92 percent of the capital losses realized from January 1, 2012 to June 30, 2014. This regime is the default regime if the taxpayer does not elect into any of the two alternative regimes described in (b) and (c) below.
- (b) Nondiscretionary investment portfolio regime ("*risparmio amministrato*") (optional) (Article 6 of Legislative Decree No. 461/1997). Such regime can apply provided that (i) the Shares are managed by or in custody with Italian banks or resident stock brokerage companies or other resident intermediaries identified with specific ministerial decrees and (ii) the shareholder expressly elects (by written notice sent to the intermediary) for the nondiscretionary investment portfolio regime. If the holder elects for the application of this regime, a 26% substitute tax is calculated and paid upon each transfer by the intermediary where the shares are deposited in custody or under administration, with respect to each capital gain realized. Capital losses, if applicable, may be carried forward within the same relationship of deposit in the same tax year or in the following tax years up to the fourth and offset against capital gains of the same nature realized after June 30, 2014, but up to the following amount,

in accordance with Legislative Decree No. 66/2014, in case of capital losses realized up to June 30, 2014: (a) 48.08 percent of the relevant capital losses realized before January 1, 2012, and (b) 76.92 percent of the capital losses realized from January 1, 2012 to June 30, 2014.. In case of termination of the custody or administration relationship, any remaining capital loss may be offset , no later than the fourth tax period following the one in which the capital losses occurred, against the capital gains realized in the context of another nondiscretionary investment portfolio regime entered into by the same parties to the original deposit or relationship, or may be carried forward and offset in the tax return. Under this regime, the holder is not required to report capital gains in the annual income tax return..

- (c) Discretionary investment portfolio regime ("*risparmio gestito*") (optional) (Article 7 of Legislative Decree No. 46/1997). This regime is allowed for holders who have entrusted the management of their financial assets, including the Company's Shares, to an authorized intermediary and have elected in writing into this regime. Under this regime, a 26% substitute tax is applied by the intermediary at the end of each tax period to the accrued increase in value of the assets under management, even if this increase in value is not realized, net of any income that is subject to withholding tax, any income that is exempt from taxation or in any case not subject to taxation, any income that are included in the taxpayer's overall taxable income. Under the discretionary investment portfolio regime, the capital gains realized through the Transfer of Non-Qualifying Shareholdings concur in the calculation of the increase in value of the assets under management that has accrued during the tax period, subject to a 26% substitute tax. Decreases in value of the managed assets may be carried forward in the following tax years up to the fourth and offset against any subsequent increase in value accrued as from July 1, 2014, but up to the following amount in case of decreases in value occurred up to June 30, 2014: (i) 48.08 percent of the relevant decreases in value occurred before January 1, 2012; and (ii) 76.92 percent of the decreases in value occurred from January 1, 2012 to June 30, 2014. In case of termination of the discretionary investment portfolio regime, the decrease in value accrued under the discretionary investment portfolio regime (as resulting from a specific certification issued by the relevant asset manager) may be offset, within the fourth tax period following the one in which the decreases in value have accrued, against the capital gains realized under another nondiscretionary investment portfolio regime, or under another discretionary investment portfolio regime, entered into by the same parties to the original deposit or asset management relationship, or may be carried forward and offset by the same holders in the income tax return, according to the same rules applicable to the exceeding carried forward capital losses indicated under point (a) above (*Tax return regime*). Under this regime, the holder is not required to report capital gains in the annual income tax return..

Following the amendments introduced by Article 1, paragraphs 999-1006 of the 2018 Budget Law, the capital gains, other than those realised in connection with a business activity, realised from 1 January 2019 by individuals and general partnerships (*società semplici*) resident in Italy for tax purposes, through transfer of shareholdings for consideration, as well as through transfers or rights through which acquisition of the said shareholdings may



occur, are subject to 26% substitute tax according to one of the regimes above described under subparagraphs (a), (b) and (c), regardless of the fact that they derive from the Transfer of Non-Qualifying Shareholding and Transfer of Qualifying Shareholding.

(ii) *Individuals carrying out business activities, partnerships, limited partnerships and comparable companies listed under Article 5 TUIR*

Capital gains realised by individuals while carrying out business activities, partnerships, limited partnerships and comparable companies listed under Article 5 TUIR through the transfer for consideration of Shares concur, for their entire amount, in the calculation of the taxable business income, that is subject to taxation in Italy according to the ordinary regime.

As indicated by the Italian tax authority, the negative income generated by individuals while carrying out business activities, partnerships, limited partnerships and the comparable companies listed in Article 5 TUIR through transfer for consideration of shares can be fully deducted from the taxable profits of the transferor.

However, if the conditions indicated under points (a), (b), (c) and (d) of the following paragraph have been met, the capital gains, realised from 1 January 2018, are included in the taxable business income for 58.14% of their amount, for individuals carrying out business activities (49.72% for partnerships under Article 5 of the TUIR, among which limited partnerships (*società in accomandita semplice*) and comparable companies are included). The capital losses realized on shareholdings that meet the fulfillment of the requirements indicated under points (a), (b), (c) and (d) of the following paragraph can be deducted only in part, similarly to what is provided for the taxation of capital gains.

For purposes of determining the capital gains and capital losses that are relevant for tax purposes, the holder's tax basis in the shares is reduced by any write-down that the holder has deducted in previous tax years.

Provided certain requirements are fulfilled, individuals resident in Italy for tax purposes that carry out business activity are allowed to opt for the application of the Tax on Corporate Income regime (*Imposta sul Reddito d'Impresa, "IRI"*) in relation to income originating from their business activity. In this case, the capital gains and capital losses incurred through transfer of the Shares for consideration are included in the determination of the taxable income under the ordinary rules on business income set out by Chapter 6, Title 1 TUIR and are subject to 24% income tax rate. Any subsequent withdrawal of resources from the business activity should be fully taxed for IRPEF purposes in the hands of the relevant individual and deducted from the IRI taxable base.

(iii) *Companies and entities listed under Article 73, paragraph 1, letters a) and b) TUIR residing in Italy for tax purposes.*

The capital gains realised by companies and entities listed under Article 73, paragraph 1, letters a) and b), TUIR (*i.e.* joint-stock companies and limited partnerships with share capital, limited liability companies, public and private entities, other than companies, whose main or exclusive purpose is the exercise of business activities) through the transfer for consideration of the Shares, concur in the calculation of the taxable business income in their full amount.

However, pursuant to Article 87 TUIR, the capital gains realised in relation to shares in

companies and other entities indicated under Article 73 TUIR are 95% exempt, if the aforementioned shares meet the following conditions:

- (a) they have been continuously held from the first day of the twelfth month prior to that of the transfer, considering as transferred first the shares or quotas more recently acquired;
- (b) they have been classified as financial assets in the first financial statement that ended during the holding period;
- (c) the participated company is resident for tax purposes in one of the states or territories other than those under a privileged tax regime identified in accordance with the criteria set out at Article 167, paragraph 4 of the TUIR or, alternatively, the participating company demonstrates – also through the ruling procedure set out in paragraph 5, letter b), of Article 167 – that the shareholdings, since the beginning of their holding period, were not aimed at localizing income in states or territories under a privileged tax regime identified in accordance with the criteria set out at Article 167, paragraph 4 of the TUIR;
- (d) the participated company carries out a business activity as defined by Article 55 TUIR.

At the date when the capital gains are received, the requirements indicated under subparagraphs (c) and (d) must be fulfilled, uninterruptedly since the beginning of the third tax period prior to the date when the capital gains are realised. Transfers of shares or quotas belonging to the category of long-term financial assets and those belonging to the category of current assets must be considered separately with reference to each category.

For shareholdings in companies that are exclusively or mainly engaged in the business of acquiring shareholdings, the conditions under subparagraphs (c) and (d) are referred to the companies indirectly held and are fulfilled when such conditions are met by the participated companies that represent the major portion of the holding company's equity.

The condition under subparagraph (d) is not relevant for shareholdings in companies whose securities are traded on regulated markets.

If the aforementioned requirements are fulfilled, the capital losses generated by the transfer of shareholdings cannot be deducted from business income.

For purposes of determining the capital gains and capital losses that are relevant for tax purposes, the tax basis of the transferred shares is reduced by write-downs deducted in the previous tax periods.

Capital losses (as well as negative differences between revenues and costs) relating to shares that do not meet the participation exemption requirements are not relevant (and cannot be deducted) to the extent of the non-taxable amount of dividends (or advance dividend) received by the holder in the 36 (thirty-six) months prior to the transfer (dividend washing rule). This provision applies (i) with respect to shares acquired in the 36 months prior to the realisation of the capital loss (negative difference), provided that the conditions under points (c) and (d) are fulfilled, but (ii) does not apply to those holders who draw their financial statements on the basis of the international accounting principles indicated in (EC)



Regulation no. 1606/2002 of the European Parliament and the Council, of 19 July 2002.

In relation to the capital losses that can be deducted from the business income, it must also be noted that those holders who realised, during the tax period, such negative differences over shareholdings are expected to report to the Italian Tax Agency the data corresponding to such negative results, to allow the Italian Tax Authority to assess the potential tax avoidance elements of the corresponding transactions, in light of Article 37-*bis* of Presidential Decree 600/73 (it should be noted that Art. 37-*bis*, Presidential Decree 600/1973 has been repealed from 2 September 2015 and, pursuant to Art. 1 of Legislative Decree 5 August 2015, no. 128, provisions referring to Art. 37-*bis*, Presidential Decree 600/1973, must be interpreted as referred to Art. 10-*bis* of Law of 27 July 2000, no. 212, to the extent that they are compatible).

More specifically, the reporting obligations at issue have been introduced by:

- Article 1, paragraph 4, Law Decree of 24 September 2002 no. 209, converted with amendments by Law of 22 November 2002 no. 265, on capital losses exceeding EUR 5,000,000.00 deriving from transfer of shareholdings booked as long-term financial assets;
- Article 5-*quinquies*, paragraph 3, of Law Decree 30 September 2005 no. 203, converted with amendments by Law of 2 December 2005 no. 248, on capital losses and negative differences exceeding EUR 50,000.00, realised over shareholdings traded on Italian or foreign regulated markets.

With reference to the former reporting obligation, introduced by Article 1, paragraph 4, of Law Decree of 24 September 2002 no. 209, if the amount of the aforesaid capital losses exceeds EUR 5,000,000.00, even as a result of multiple transactions, the taxpayer is expected to notify to the Italian Tax Authority the information and data concerning the operation upon the filing of the Tax Return Form related to the fiscal year in which the capital loss was generated. The omitted, incomplete or false communication of the capital losses exceeding EUR 5,000,000.00, deriving from transfer of shareholdings booked as long-term financial assets is punished with an administrative sanction equal to 10% of the capital losses whose notification was omitted, incomplete or false, with a minimum sanction of EUR 500.00 and a maximum sanction of EUR 50,000.00.

This reporting obligation does not apply to companies that adopted the international accounting principles referred to in the regulation of the European Parliament and of the Council of 19 July 2002, no. 1606/2002/EC.

The latter reporting obligation regards capital losses and negative differences exceeding EUR 50,000.00 realised on shareholdings in companies listed on regulated markets. Pursuant to Article 5-*quinquies*, paragraph 3, of Law Decree 30 September 2005 no. 203, converted by Law of 2 December 2005 no. 248, capital losses and negative differences exceeding EUR 50,000.00, also originating from multiple transactions on shares, quotas and other analogous securities traded on Italian or foreign regulated markets, must be reported to the Italian Tax Authority in order to allow the Authority to carry out possible investigations pursuant to Article 37-*bis* of Presidential Decree 600/73 (Article 37-*bis* of Presidential Decree 600/73 was repealed effective from 2 September 2015, and therefore, in accordance with Article 1 of Legislative Decree No. 128 of 5 August 2015, the provisions that refer to Article 37-*bis* of Presidential

Decree 600/73 are intended to refer to Article 10-*bis* of Law No. 212 of 27 July 2000 insofar as they are compatible).

Similarity to what is provided with regard to capital losses exceeding EUR 5,000,000.00 (Article 1 of Law Decree of 24 December 2002 no. 209), the taxpayer is expected to report to the Italian Tax Authority all the information and data concerning the operation upon filing of the Tax Return Form related to the fiscal year in which the capital loss was realised, while the omitted, incomplete and false communication of the capital losses and the negative differences exceeding EUR 50,000.00 is punished with an administrative sanction amounting to 10% of the capital losses whose communication was omitted, incomplete or false, with a minimum sanction of EUR 500.00 and a maximum sanction of EUR 50,000.00.

The obligation to report data associated with the transfer of shareholdings in listed companies, that gave rise to capital losses and negative differences falls on the persons holding such assets under a business regime. The duty to provide such information does not apply, therefore, to individuals and those other persons who do not hold shareholdings under a business activity.

Unlike the rules applicable to the capital losses exceeding EUR 5,000,000.00, the obligation to report capital losses and the negative differences over shareholdings exceeding EUR 50,000.00, pursuant to Article 5-*quinquies*, paragraph 3, of Law Decree of 30 September 2005 no. 203, applies also to companies that adopt, in the drafting of the financial statements, the international accounting principles.

Pursuant to Article 5-*quinquies*, paragraph 3 of Law Decree of 30 September 2005 no. 203, the obligation to report information applies to:

- both the negative components of long term shareholdings (capital losses) and the negative components of shareholdings included in the current assets (other negative differences);
- capital losses and negative components realised on shareholdings both listed on Italian and foreign regulated markets.

For some types of companies and under certain conditions, the capital gains realised by the aforementioned persons through the transfer of shares is also included in the taxable base subject to a regional tax on productive activities (IRAP).

*(iv) Entities listed under Article 73, paragraph 1, letter c) TUIR, resident in Italy for tax purposes*

The capital gains realised, not in connection with business activities, by non-commercial entities not resident in Italy, are subject to taxation according to the same rules applied to the capital gains realised by individuals over shareholdings not held in connection with a business activity (without prejudice to what is provided for below under paragraph C(v) for O.I.C.R.s pursuant to Article 73, paragraph 5-*quinquies*, of the TUIR)

*(v) Italian retirement funds and O.I.C.R.s*

The capital gains realised by the Italian retirement funds listed in Legislative Decree 252/2005

upon transfer for consideration of shares are considered in the calculation of the annual accrued result, subject to a 20% substitute tax.

Article 1, paragraph 92 and ff. of Law No. 232/2016 has provided, with regard to the retirement funds in question, commencing from 1 January 2017, following the fulfillment of certain conditions (including a minimum holding period of 5 years) and with certain limitations, for the exemption from income tax on income deriving from investment pursuant to the cited paragraph 92 (among which, the Shares) and, therefore, such amount shall not be included in the calculation of the taxable base under Article 17 of Decree 252. Recovery mechanisms for the substitute tax on the annual accrued result are provided for, if the Company's Shares are transferred before the minimum required 5-year holding period has lapsed.

The capital gains generated by the O.I.C.R.s established in Italy, other than real estate collective investment vehicles, referred to under Article 73, paragraph 5-*quinquies*, TUIR are not subject to income tax, provided that the fund or the entity managing the fund is subject to prudential supervision.

In general, participants will be taxed upon receipt of the distributions from the O.I.C.R..

*(vi) Real Estate Investment Funds*

Pursuant to Decree 351, and following changes made by Article 41-*bis* of Decree 269, starting from 1 January 2004 the earnings, including capital gains deriving from transfer of shares, realised by Real Estate Investment Funds established pursuant to Article 37 of the TUF and Article 14-*bis* of Law 86/1994, are not subject to income tax. Such funds are subject to neither income tax nor regional tax on production activities.

The distributions deriving from interest in the aforementioned funds are subject to a 26% tax applied to the recipients, as an advance payment of income taxes or as a final withholding tax (depending on the legal nature of the recipient). Such 26% withholding tax does not apply on distributions paid to qualified investors, that are beneficial owners of such distributions and are residing for tax purposes in foreign states guaranteeing an adequate exchange of information with the Italian tax authority (for example, in case the recipient is a foreign retirement fund or a regulated foreign collective investment vehicle, provided they are established in states and territories included in the list provided by the Decree of the Ministry of Finance of 4 September 1996, as subsequently amended, no withholding tax will be applied by the Italian real estate investment fund).

In certain cases, the income received from an Italian non-institutional real estate investment fund may be attributed to, on a tax transparency basis (and therefore included in the calculation of the taxable income in Italy of) the relevant non-institutional investors that hold units representing more than 5% of the fund's net asset value.

*(vii) Persons not resident in Italy for tax purposes, with permanent establishment in Italy*

With regard to non-resident persons who hold the shareholding through a permanent establishment in Italy to which the shareholding is actually connected, the capital gains realised upon the transfer of the shareholding are included in the taxable income of the

permanent establishment pursuant to the tax regime provided for the capital gains realised by companies and entities listed under Article 73, paragraph 1, letters a) and b), TUIR, resident in Italy for tax purposes. If the shareholding is not linked to a permanent establishment in Italy of the non-resident person, reference should be made to the next paragraph.

*(viii) Persons not resident in Italy for tax purposes, without a permanent establishment in the Territory of the States*

#### Transfer of Non-Qualifying Shareholdings

Pursuant to Article 23, paragraph 1, letter f), point 1), TUIR, the capital gains realised upon transfer of shares listed on regulated markets that qualify as Transfers of Non-Qualifying Shareholdings are not taxable in Italy.

Conversely, the capital gains realised upon Transfer of Non-Qualifying Shareholdings – not traded on the regulated markets – are subject to a 26% substitute tax. If the capital gains are realised by persons that are resident for tax purposes in states and territories included in the list provided by the Decree of the Ministry of Finance of 4 September 1996, as subsequently amended, (*i.e.* states and territories that have implemented an adequate exchange of information with the Italian Tax Authority) and without a permanent establishment in Italy through which the transferred shareholdings are held, such capital gains are not taxed in Italy. For the Shareholders who are not resident in Italy for tax purposes, to whom the nondiscretionary investment portfolio regime applies or that have opted for the discretionary investment portfolio regime, pursuant to Articles 6 and 7 of Legislative Decree 461/1997, the exclusion from taxation is made conditional upon the filing of a self-declaration certifying the lack of residence in Italy for tax purposes. The foregoing is without prejudice to, if applicable, the application of more favourable provisions set out by double tax treaty.

#### Transfer of Qualifying Shareholdings

The capital gains realised, from 1 January 2018 to 31 December 2018, by persons not resident in Italy for tax purposes and without a permanent establishment in Italy (through which the shareholdings are held), upon Transfer of Qualifying Shareholdings are included in the calculation of the taxable base of the recipient according to the same rules applicable to capital gains from Transfer of Qualifying Shareholdings realised from 1 January 2018 to 31 December 2018 by resident individuals not engaged in business activity. Such capital gains are subject to taxation only in the annual tax return, since neither the nondiscretionary investment portfolio regime nor the discretionary investment portfolio regime can be applied to those capital gains. The foregoing is without prejudice to, if applicable, the application of more favourable provisions set out by double tax treaty.

The capital gains realised from 1 January 2019 by persons not resident for tax purposes in Italy, without a permanent establishment in Italy (through which shareholdings are held), upon Transfer of Qualifying Shareholdings are subject to 26% substituted tax according to the same rules governing the taxation of capital gains from Transfer of Qualifying Shareholdings realised from 1 January 2019 by resident individuals not engaged in business activities. This is without prejudice to, where applicable, the application of double tax treaty,

if more favourable to the taxpayer.

#### **D. Tax on financial transactions (so-called “Tobin Tax”)**

Article 1, paragraphs from 491 to 500, of Law No. 228 of 24 December 2012 introduced a tax on financial transactions that applies to the transfer of ownership in shares and other financial instruments, to transactions concerning equity derivatives and to other transferrable securities.

The parties liable to tax are those persons in whose favour the transfer of ownership in the shares issued by companies, with a registered office located in Italy, is carried out, irrespective of the place of residence of the counterparties and the place where the transaction was executed. Persons without a permanent establishment in Italy and located in states or territories with which no agreement for the exchange of information or for assistance in the recovery of claims for taxation purposes have been signed (as identified in a specific Regulation issued by the Director of the Italian Tax Authority on 30 May 2016, as integrated by the Regulation of the Director of the Italian Tax Authority of 9 June 2016) are considered for all intents and purposes buyers, irrespective of the title under which they participate to the operation, unless they proceed to identify themselves according to the procedures set out by regulation of the Director of the Italian Tax Authority of 18 July 2013, as amended by the Regulation of the Head of the Italian Tax Authority of 9 March 2017.

Banks, trust companies and investment companies authorized to perform professional services and investment activity indicated under Art. 18 Italian Financial Act to the public, as well as other intermediaries that participate to the implementation of the aforementioned transactions (for example, notaries participating to the drawing up or authentication of deeds related to the same transactions), including non-resident intermediaries are responsible for levying and paying the tax.

The tax must be paid no later than the 16th day of the month following the month when the transfer of ownership in the shares occurred.

The tax applies at a rate of 0.20% on the value of the transaction that is determined on the basis of the net balance of the daily transactions (calculated for each taxpayer with reference to the number of securities being purchased and sold on the same day for each financial instrument) multiplied by the weighted average price of the purchases made in the relevant day.

The rate is reduced by half (0.10%) for transfers that occur as a result of transactions executed on regulated markets or multilateral trading systems.

Transaction specifically identified by Article 15 of the Decree issued by the Ministry of Economy on 21 February 2013 are excluded from taxation, including:

- the transfer of share ownership that occurs by inheritance or gift;
- issuance and cancellation transactions of shares, including repurchase transactions of securities by the Issuer;

- purchase of newly issued shares even if they occur following the conversion, exchange or redemption of bonds or the exercise of option rights held by the Shareholders;
- profit or reserve distributions through allocation of shares;
- temporary purchase transactions of securities indicated under Article 2, paragraph 10 of the Regulation (EU) No. 1287/2006 of the European Commission of 10 August 2006;
- transfers of securities carried out by and between companies among which there is a controlling relationship within the meaning of Article 2359, paragraph 1, subparagraphs 1 and 2, and paragraph 2 of the Italian Civil Code or that are controlled by the same company and those deriving from company restructuring transactions pursuant to Article 4 of Directive 2008/7/EC.

The transfers of ownership in shares traded on regulated markets or multilateral trading systems, issued by companies whose average capitalization in November of the year prior to the one in which the transfer of ownership occurred, did not exceed EUR 500 million, are also excluded from taxation. Furthermore, also excluded are those transfers of ownership in securities representing shares issued by the same company. Pursuant to Article 17 of Ministerial Decree of 21 February 2013, no later than 10 December of each year, Consob drafts and send to the Ministry of Economy and Finance, the list of companies with shares traded on Italian regulated markets or multilateral trading systems that respect the aforementioned capitalisation limit. Based on the information received, the Ministry of Economy and Finance drafts and publishes on its website, no later than 20 December of each year, the list of resident companies in Italy for the purposes of the exemption. The exemption also applies for transfers that do not take place on markets and multilateral trading systems. In case of admission to the trading on the regulated market or multilateral trading system, the analysis as to whether the relevant company is included in said list should occur after the financial year in which it is possible to calculate an average capitalisation for the month of November; until such financial year, it shall be presumed that the capitalisation is less than EUR 500 million.

Specific exemptions from the application of the Tobin Tax are also provided for under Article 16 of the Decree of the Minister of Economy and Finance of 21 February 2013.

The Tobin Tax is not deductible for purposes of income taxes (IRPEF and IRES), of their substitute taxes and of IRAP.

#### High-frequency trading

Pursuant to Article 1, paragraph 495 of Law No. 228/2012, the transactions executed on the Italian financial market are subject to a tax on high-frequency trading related to financial instruments under Article 1, paragraphs 491 and 492 of Law No. 228/2012.

High frequency trading is deemed to occur if trading is generated by a computer algorithm that automatically determines whether to send, modify or cancel the orders and related parameters, when the sending, modifying and cancellations of financial instrument orders of the same type are executed at minimum intervals that are lower than the amount specified



under the Decree of the Minister of Economy and Finance of 21 February 2013.

The tax is applied at 0.02% of the value of the cancelled or modified orders that in one trading day exceed the numerical threshold established under the Decree of the Minister of Economy and Finance of 21 February 2013. This threshold shall not be in any case lower than 60% of the transmitted orders.

The tax is due by the person that, through the algorithms indicated under Article 12 of the Decree of the Minister of Economy and Finance of 21 February 2013, enters purchase and sale orders and the associated modifications and cancellations pursuant to the meaning of Article 13 of the said Ministerial Decree.

#### **E. Inheritance and gifts tax**

Article 13 of Law No. 383 of 18 October 2001 provided, among other things, for the abolition of the inheritance and gifts tax. However, the tax at issue was subsequently reintroduced by Law Decree No. 262 of 3 October 2006, converted into law with amendments by Law no. 286 of 24 November 2006, as subsequently amended by Law No. 296 of 27 December 2006, effective from 1 January 2007.

As a result, transfers of shares by reason of death, gifts or free of charge are subject to the aforementioned tax. The tax is applied also to the creation of liens for a specific purpose. Within certain limits, some exemptions are provided with regard to family relationships or other conditions.

For persons that are resident in Italy, the tax on inheritance and gifts is generally applied on all assets and rights transferred, regardless of where such assets and rights are held (except for certain exemptions). For persons that are non-resident, the tax on inheritance and gifts is applied exclusively on assets and rights that are deemed to be held in Italy. Shares in companies with an Italian registered office or Italian headquarters or main corporate purpose pertaining to Italy, are deemed as held in Italy.

##### **(a) Inheritance tax**

Pursuant to Art. 2, paragraph 48, of Law Decree of 3 October 2006 no. 262 ("**Law Decree 262/2006**" as converted into law with amendments by Law of 24 November 2006, no. 286,) the transfers of assets and rights by reason of death are generally subject to inheritance tax, according to the following rates, to be applied on the overall net value of the assets:

- (i) for assets and rights transferred to a spouse and to relatives in direct line, the applicable rate is 4%, with an exemption threshold of EUR 1 million for each beneficiary;
- (ii) for assets and rights transferred to other relatives up to the fourth degree and relatives-in-law up to third degree, the applicable rate is 6% (with an exemption threshold of EUR 100,000.00 for each beneficiary applicable only for brothers and sisters);
- (iii) for assets and rights transferred to other persons, the rate is 8% (without any exemption threshold).



If the transfer is made in favour of persons with severe disabilities pursuant to Law of 5 February 1992 no. 104, the inheritance tax is applied only on the value exceeding 1.5 million EUR.

(b) Tax on gifts

Pursuant to Art. 2, paragraph 49, of Law Decree 262/2006, for gifts and transfer deeds without consideration of assets and rights and the creation of liens on assets for a specific purpose, the tax on gifts due is generally determined by applying the following rates on the global value of the assets and rights, net of the costs suffered by the beneficiary, or, if the gift is given jointly to multiple persons or if the same deed includes multiple gifts in favour of different persons, on the value of the relevant quota of the assets or rights that have been assigned:

- (i) in case of gift or transfer without consideration to a spouse and to relatives in direct line, the applicable rate is 4%, with an exemption threshold of EUR 1 million for each beneficiary;
- (ii) in case of gift or transfer without consideration to other relatives up to the fourth degree and to relatives-in-law up to the third degree, the applicable rate is 6% (with an exemption threshold of EUR 100,000.00 for each beneficiary applicable only for brothers and sisters);
- (iii) in case of gift or transfer without consideration to other persons, the applicable rate is 8% rate (without any exemption threshold).

If the transfer is made in favour of persons with severe disabilities pursuant to Law of 5 February 1992 no. 104, the inheritance tax is applied only on the value exceeding 1.5 million EUR.

## F. Stamp Duty

Art. 13, paragraphs 2-*bis* and 2-*ter*, of the Tariff, Part 1, annexed to Presidential Decree of 26 October 1972, no. 642, and corresponding notes 3-*bis* and 3-*ter* provide rules on the proportional stamp duty that is generally applicable (save the case of some exclusions/exceptions) to periodic communications sent by Italian banks and financial intermediaries to their clients in relation to financial products deposited with these institutions, such as the Shares, even when such products are not subject to a deposit obligation, including bank and postal deposits, even when represented by certificates.

The proportional stamp duty does not apply, *inter alia*, to the reports and notifications that Italian intermediaries send to investors other than clients, as defined in the Regulation adopted by the Governor of the Bank of Italy on 30 September 2016, as subsequently amended. The proportional stamp duty does not apply, *inter alia*, to communications received by the retirement funds and health funds.

Paragraph 2-*ter* of Art. 13 of the Tariff, Part 1, annexed to Presidential Decree no. 642 of 1972 provides that, if applicable, the proportional stamp duty is applied in the amount of 2‰ per annum. The stamp duty cannot exceed €14,000.00 for investors other than individuals..

The tax is collected by banks and other financial intermediaries and is related to the reported period. Periodic communications to clients are deemed to be sent, in any case, at least once a year, even if the Italian intermediary is under no obligation to either draft or send such communications. In this case, the stamp duty is applied on the value of the financial products, calculated as of the 31st of December of each year and, in any case, at the termination of the contractual arrangement with the client.

The stamp duty is applied on the market value of the financial instruments or, absent such value, on the nominal or redemption amount, as resulting from the communication sent to clients. The tax is applied to both investors residing in Italy and to investors not residing in Italy for tax purposes, with regard to financial instruments kept with Italian intermediaries.

#### **G. Tax on the value of financial activities held abroad**

Pursuant to Article 19, paragraph 18 of Law Decree No. 201 of 6 December 2011, converted into law by Law No. 214 of 22 December 2011, individuals resident in Italy for tax purposes and holding financial products – such as shares – abroad as property or other right *in rem* (irrespective of how they have been acquired and, therefore, also if such products originate from inheritance or gifts), are generally subject to a tax on their value (so-called “IVAFE”).

The tax is also applied to shareholdings in the capital or assets of entities resident in Italy for tax purposes and held abroad. Some clarifications have been provided by the Italian Tax Authority for the case of financial products held abroad through interposed entities.

The tax, applied on the value of the financial products, due in proportion of the share held and of the holding period, is applied at a 2% rate.

IVAFE’s taxable base is represented by the market value of the financial products held abroad as recorded at the end of each calendar year in the place where they are held, or – if such value is unavailable – at the nominal or redemption amount, also taking into account the documentation provided by the relevant foreign intermediary. If, on 31 December the financial products are no longer held, reference should be made to the products’ market value as recorded at the end of the holding period. For the financial products listed on regulated markets, reference is made to the quoted price.

Regardless of the place of residence of the issuer or the counterparty, the IVAFE does not apply to financial products – such as shares – held abroad but under management by Italian financial intermediaries (in fact, in this case these are subject to the stamp duty indicated under the previous paragraph) and to foreign activities that are physically held by the taxpayer in Italy.

A tax credit equal to the property tax paid in the State where the financial products are held can be deducted from the IVAFE due up to the amount of the IVAFE. The credit cannot, in any case, exceed the tax that is due in Italy. No tax credit is due if double tax treaty (applicable also to property taxes) is in place with the Country where the financial product is

held and such double tax treaty attributes the right to tax such financial products exclusively to the holder's Country of residence. In these cases, a refund of the property taxes paid abroad can generally be requested to the Tax Authority of the Country where the aforementioned taxes have been applied despite the content of the double tax treaty. Details on the financial products held abroad must be included in the RW box of the annual tax return.

#### **H. Tax monitoring requirements**

Under the regulations on reporting obligations, individuals, non-commercial entities and general partnerships and comparable persons, resident in Italy for tax purposes, are required to report in the RW box of the annual tax return (or in a specific form, if the filing of the income tax return is not due), the amount of investments (including any shares) held abroad during the tax period, that can give rise to a taxable income in Italy. The same requirements also apply to persons included in the aforementioned categories who, although not holding directly any foreign investments and activities of financial nature, are the actual economic owners of the investment according to Art. 1, paragraph 2, letter pp), and Article 20 of Legislative Decree No. 231 of 21 November 2007.

With regard to the Shares, such reporting requirements are not applicable if the shares are not held abroad and, in any case, if the shares are under management or administration entrusted to intermediaries resident in Italy, provided that the cash flows and the income deriving from the shares are subject to withholding or substitute tax applied by such intermediaries (the Circulars issued by the Italian Tax Authority no. 38/E of 23 December 2013, no. 19/E of 27 June 2014 and 10/E of 13 March 2015 have provided additional clarifications on these reporting requirements).

Finally, following the intergovernmental agreement executed between Italy and the United States on the implementation of the regulations on *Foreign Account Tax Compliance Act (FATCA)* and Law 18 June 2015, no. 95, which ratified and implemented this Agreement, as well as the provisions related to the compliance requirements applicable to the financial institutions in order to implement the automatic exchange of information, pursuant to the aforementioned Agreement and from Agreements between Italy and other foreign States (Common Reporting Standard), implemented with Ministerial Decree of 28 December 2015, the holders of financial instruments (including Shares) may be subject, under certain conditions, to certain disclosure requirements.

## 5. HOLDERS OF FINANCIAL INSTRUMENTS WHO PROCEED TO SELL

### 5.1 Seller shareholders

There are no holders of financial instruments who proceed to sell.

### 5.2 Number and class of financial instruments offered by seller shareholders

Not applicable.

### 5.3 Lock-up agreements

Promoting Companies shall undertake a lock-up commitment to the Joint Global Coordinators regarding the Issuer's Ordinary Shares arising from the conversion of Special Shares, which shall be assigned to Promoting Companies and/or other companies directly and/or indirectly controlled by Promoting Companies and/or the Promoters ("**Lock-up Shares**"). The Lock-up Shares commitment shall have a duration of 12 months from the date each of the tranches of Special Shares is converted into Ordinary Shares.

As an exception to the above, there shall be no limitations on transfers of financial instruments: (a) occurred in the context of universal succession ("*successione universale*"); and/or (b) as a consequence of extraordinary transactions of the entity resulting from the Material Transaction, such as mergers or demergers; and/or (c) executed in favor of companies, directly or indirectly controlled by the Promoting Companies or of natural or legal persons controlling, directly or indirectly, the Promoting Companies, it being understood that, for the purposes of this letter (c) "control" means the relation set forth by article 2359, para. 1, numbers 1 and 2, of the Italian Civil Code; and/or (d) executed in favor of the shareholders of the Promoting Companies and/or of any heir of such shareholders; and/or (e) executed between the Promoting Companies and/or other companies directly or indirectly controlled by the Promoting Companies and/or by the Promoters.

**6. EXPENSES RELATED TO TRADING ADMISSION AND OFFER**

Total expenses connected to the Offer and admission to trading on AIM Italia of the Company's Ordinary Shares and Conditional Share Rights are estimated to be about EUR 3,728,833.00 in the event of full subscription of a maximum of NO. 60,000,000 Ordinary Shares subject to the Offer.

Estimated yield from the Offer, based on the Offer Price, is EUR 600,000,000.00 in the event of full subscription of a maximum of NO. 60,000,000 Ordinary Shares subject to the Offer.

Joint Global Coordinators and Joint Bookrunners shall have the right to additional fees only when performing the Material Transaction equal to EUR 6,666,667.00.

## **7. DILUTION**

### **7.1 Dilution from conversion of Special Shares**

Holders of Ordinary Shares may be subject to a dilution effect as a result of the conversion of Special Shares into the Company's Ordinary Shares. Following is a sample calculation of this diluting effect, assuming that holders of the Company's ordinary shares exercise their right of withdrawal in a number resulting in a net total disbursement by the Company of 30% of the sums deposited in the Escrow Account on the date of the relevant approval by the Shareholders' Meeting less the settlement value of no. 1 ordinary share, with the standard assumption that this settlement value is equal to EUR 10.00. The calculation proposed below does not take into account the effects of assigning the Conditional Share Rights.

Note that the tables shown in this Chapter illustrate the diluting effects based on future events which are not currently foreseeable (such as amount of withdrawal, price of ordinary shares, Issuer's estimated costs) and thus should be considered merely indicative.

Special Shares will be converted into Ordinary Shares under the following conditions, assuming a number of Special Shares equal to the maximum number of no. 1,800,000 Special Shares:

- Hypothesis 1: conversion of no. 360,000 Special Shares (equal to twenty percent (20%) of their amount), according to a ratio of n. six (6) Ordinary Shares per each Converted Special Shares, if the Material Transaction is executed and after the seventh (7<sup>th</sup>) trading day following the effective date of the Material Transaction;
- Hypothesis 2: conversion of the further no. 1,440,000 Special Shares (equal to eighty percent (80%) of their amount), according to a ratio of n. eight (8) Ordinary Shares per each Converted Special Shares, in the event that, within forty-eight (48) months following the effective date of the Material Transaction, the average price of the Ordinary Shares traded on AIM Italia (or, if the case may be, a regulated Italian market), over at least twenty-two (22) consecutive trading days, is equal to or greater than EUR 15.00 (fifteen euros and no cents) per Ordinary Share.

The potential dilution for the investor is the difference between the Offering Price and pro forma net equity post-Offer per Ordinary Share. In case of complete conversion of no. 1,800,000 Special Shares, assuming that holders of ordinary shares exercise their right of withdrawal resulting in a total net disbursement by the Company of 30% of the Restricted Amounts on the date of the relevant approval by the Shareholders' Meeting less the settlement value of 1 ordinary share, with the standard assumption that this settlement value is equal to EUR 10.00, the potential dilution will be equal to a maximum of EUR 2.32 for each Ordinary Share.

Pro forma net equity post-Offer per Ordinary Share is determined by dividing pro forma net equity post-Offer, calculated as indicated in the following table, by the total number of shares.

When calculating pro forma net equity post-Offer, the following items are included: the fees and costs of the Offer and the disbursement related to the exercise of the withdrawal right, assuming conventionally that the liquidation value is equal to EUR 10.00, by a number of holders of Ordinary Shares resulting in a total net disbursement by the Company of 30% of

the Restricted Amounts on the date of the relative approval by the Shareholders' Meeting less the settlement value of 1 ordinary share, making the standard assumption that this liquidation value is equal to EUR 10.00.

The following table illustrates the methods for calculating the dilution, at the various funding levels, where holders of ordinary shares have exercised their right of withdrawal in a number that would result in a total net disbursement by the Company equal to 30% of the Restricted Amounts on the date of the relevant approval by the Shareholders' Meeting less the settlement value of no. 1 ordinary share, making the standard assumption that this settlement value is equal to EUR 10.00. Note that the investor's dilution does not consider the value of Conditional Share Rights received at no cost at the time of subscription. This table does not consider interest receivable.

<b>Ordinary Shares Dilution Effects</b>			
<b>Withdrawal scenario: 30% - 1 of the Ordinary Shares</b>			
Collection	EUR 600 millions		
<i>Trigger</i>		Material Transaction	Price for Ordinary Share €15
Special Shares Conversion Percentage		20%	80%
Special Shares Converted into Ordinary Shares		360,000	1,800,000
Share Capital Increase Reserved for the Promoting Companies (€)	3,000%	18,000,000	18,000,000
Capital Increase (€)		600,000,000	600,000,000
(Fees and costs) (€)		(10,395,500)	(10,395,500)
(Exercise of Withdrawal Right at the price of 10 € per share) (€)	30%	(179,999,990)	(179,999,990)
<i>Pro forma</i> Net equity before B.C.		427,604,510	427,604,510
Investors' Ordinary Shares		60,000,000	60,000,000
(Investors' Ordinary Shares' Withdrawal)		(17,999,999)	(17,999,999)
Promoters' Special Shares		1,440,000	-
Promoters' Ordinary Shares converted		2,160,000	13,680,000
<i>Pro Forma</i> Shares before B.C.		45,600,001	55,680,001
<i>Pro Forma</i> Net equity before B.C. per Ordinary Share		€ 9.38	€ 7.68
Dilution per Ordinary Share		€ 0.62	€ 2.32

The following table illustrates the diluting effects for holders of Ordinary Shares per single share at the time of each assumed conversion, calculated using different withdrawal percentages. The following tables do not consider interest receivable.



Dilution effects per Ordinary Share (data in € per Ordinary Share)			
Collection	EUR 600 million		
Trigger		Material Transaction	Price for Ordinary Share €15
Special Shares Conversion Percentage		20%	80%
Special Shares Converted into Ordinary Shares		360,000	1,800,000
Ordinary Shares Withdrawal Percentage			
	0%	€ 0.45	€ 1.75
	5%	€ 0.47	€ 1.83
	10%	€ 0.49	€ 1.91
	15%	€ 0.52	€ 2.00
	20%	€ 0.55	€ 2.09
	25%	€ 0.58	€ 2.20
	30%	€ 0.62	€ 2.32

## 8. SUPPLEMENTARY INFORMATION

### 8.1 Parties participating in the transaction

The following table indicates the parties participating in the transaction and their respective roles.

Party	Role
SPAXS S.p.A.	Issuer
Banca IMI	Joint Global Coordinator
	Nominated Adviser
	Joint Bookrunner
	Specialist
Credit Suisse	Joint Global Coordinator
	Joint Bookrunner
Equita	Joint Bookrunner
KPMG	Auditing Company

In the Issuer's opinion, Nomad operates independently from the Issuer and the members of the Issuer's Board of Directors.

### 8.2 Locations where the Trading Admission Document is available

The Trading Admission Document is available to the public for consultation at the Issuer's headquarters (Milan, Via Mercato no. 3), and at the Company's website ([www.spaxs.it](http://www.spaxs.it)).

**ANNEXES**

- Conditional Share Rights Regulation.

## Regulation

### OF “SPAXS S.P.A. CONDITIONAL SHARE RIGHTS”

#### Article 1 – Definitions

In this regulation (the “**Regulation**”) the following terms have the meanings assigned herein:

<b>AIM or AIM Italia</b>	<i>AIM Italia/Mercato Alternativo del Capitale</i> multilateral trading facility, organized and managed by Borsa Italiana S.p.A.
<b>Shareholders’ Meeting:</b>	The Company shareholders’ meeting.
<b>Issuance Meetings:</b>	The Company extraordinary shareholders’ meetings held on 17 January 2018 and on 25 January 2018.
<b>Shares:</b>	The maximum number of 60,000,000 Company ordinary shares with no indication of nominal value, admitted to trading on AIM on 30 January 2018.
<b>Conversion Shares:</b>	The number 6,000,000 of newly issued Ordinary Shares of SPAXS without a par value, to be assigned, free of charge, to Conditional Share Rights holders under the terms and conditions under Article 3.
<b>Borsa Italiana:</b>	Borsa Italiana S.p.A., with Headquarters at Piazza degli Affari 6, Milan.
<b>Board of Directors:</b>	The Company’s board of directors.
<b>Assignment Date</b>	Means the 1 <sup>st</sup> (first) anniversary of the effective date of the Material Transaction, it being understood that if the above-mentioned date falls on a non-trading day, the next trading day shall be considered as said anniversary.
<b>Market:</b>	As applicable, a regulated market or multilateral trading system.
<b>Monte Titoli:</b>	The centralized management company Monte Titoli S.p.A., with registered headquarters at Piazza degli Affari 6, Milan.
<b>Offer:</b>	The offer to subscribe a maximum number of 60,000,000 Shares, arising from the capital increase, against payment and divisible, with no option right pursuant to Article 2441 paragraph 5 of the Italian Civil Code, resolved by the

shareholders' meetings for the Issuance of a maximum nominal value of EUR 600,000,000.00, to be divided between capital and share premium as established by the Company Board of Directors, by issuing a maximum number of 60,000,000 shares with no indication of nominal value, with regular dividend rights, to which no. 1 (one) free Conditional Share Right is assigned for every no. 10 (ten) shares subscribed, targeted to: **(i)** qualified investors as defined by Article 100 of Legislative Decree 58/1998 as amended and Article 34-ter first paragraph letter b) of Consob Regulation no. 11971/91 as amended, and to foreign institutional investors pursuant to Regulation S of the United States Securities Act of 1933 (excluding Australia, Canada, Japan, and the United States of America); and to: **(ii)** investors other than the investors in point **(i)**, using methods that, based on quality and/or quantity, ensure that the Company will not be subject to the provisions on offers to the public of financial instruments listed in Article 100 of Legislative Decree 58/1998 as amended and Consob Regulation 11971/91 as amended.

**Material Transaction:**

Potential acquisitions of shareholdings in another undertaking/s and/or other forms of potential combination of the Company with another undertaking/s using methods that include but are not limited to mergers with the selected undertaking/s, acquisition, through any legally provided procedure (including the subscription of capital increases and purchase/sale), of shareholdings in the undertaking/s selected and/or contributed, and their implementation using any legally provided procedure, and only after changing the Company's corporate purpose.

**Restricted Period:**

The period from (and including) the date on which the Company Board of Directors resolved to call a Shareholders' Meeting to approve (i) the annual financial statements and the proposed payment of dividends; or (ii) the proposed payment of extraordinary dividends up to (and including) the date of said Shareholders' Meeting, and in any event up to (and not including) the date of any dividend payment, including any extraordinary payments, approved by the Shareholders' Meeting.

**Assignment Ratio:**

The number of Conversion Shares that are assigned, free of charge, to Conditional Share Rights holders, equal to no. 1 (one) Conversion Share for no. 5 (five) Conditional Share Rights.

**SPAXS or Company:**

SPAXS S.p.A. with registered headquarters in Milan, Via Mercato no. 3, Milan Company Registry number, tax

number, and VAT number 10147580962.

**Conditional Share Rights:** The “*SPAXS S.p.A. Conditional Share Rights*” issued following the resolutions approved by the Issuance Meetings.

## **Art. 2 - SPAXS S.p.A. Conditional Share Rights**

Among other things, the Issuance Meetings approved the issuance of no. 6,000,000 Conversion Shares without changing the share capital of SPAXS, to be assigned at no charge to Conditional Share Rights holders, under the terms and conditions of the following Article 3.

The Conditional Share Rights shall be assigned at no charge as follows:

- (i) no. 1 (one) free Conditional Share Right shall be assigned for every no. 10 (ten) Shares subscribed within the sphere of the Offer and may be traded on AIM Italia separately from the Shares starting on the date the Shares began to be traded on AIM Italia; and
- (ii) no. 4 (four) free Conditional Share Rights shall be assigned for every no. 10 (ten) Shares issued and circulating on the effective date of the Material Transaction (in all cases, with the exception of any Ordinary Shares held by the Company) and shall be issued on the effective date of the Material Transaction. The right to receive these additional Conditional Share Rights is incorporated into said Shares and shall circulate with them until the date the Material Transaction becomes effective, which shall be determined in accordance with the Borsa Italiana calendar; on this date the additional Conditional Share Rights will begin to trade separately from the Shares.

All Conditional Share Rights shall be identified by the same ISIN Code and shall be completely fungible. For purposes of clarity, note that the assignment of the Conditional Share Rights in point (ii) shall not be considered an extraordinary transaction pursuant to Article 4 of this Regulation.

Conditional Share Rights are registered, freely transferable, and admitted to the Monte Titoli centralized management system for uncertificated securities pursuant to Articles 83-*bis* et seq. of Legislative Decree 58/1998 and the relevant implementing regulations.

## **Art. 3 – Assignment of the Conversion Shares**

1. The Conditional Share Rights incorporate the right to receive, at no charge, a number of Conversion Shares determined pursuant to the Assignment Ratio and under the terms and conditions under this Regulation.
2. More specifically, at the Assignment Date, the Conditional Share Rights holders shall have the right to receive, in a single tranche, the Conversion Shares they are entitled to pursuant to the Assignment Ratio. The Conversion Shares, assigned to the Conditional Share Rights holders under the above terms, shall be made available for trading through Monte Titoli on the settlement day after the Assignment Date.

3. The assignment of the Conversion Shares under the above terms and conditions shall occur without requiring notice from the Conditional Share Rights holders of the same, and without any change to the share capital.
4. Conversion Shares shall have the same dividend payments as the Company's ordinary shares in circulation on the Assignment Date and, therefore, shall accrue the ongoing dividends on said date.
5. If the Assignment Date occurs during a Restricted Period, the assignment of the Conversion Shares to the Conditional Share Rights holders shall be suspended until the end of the Restricted Period, and in such case, the Assignment Date will be deemed the first trading day following the last day of the Restricted Period.

**Art. 4 – Rights of Conditional Share Rights holders in case of transactions using Company share capital**

If the Company:

1. executes capital increases against payment, by issuing new shares (options and/or with the exclusion of an option right), including in the service of warrant valid for their subscription, or of convertible bonds or through warrant or transactions that give rise to a negotiable right, with the exception of capital increases approved by the Issuance Meetings, the Assignment Ratio shall not be modified.
2. executes free capital increases by assigning new shares, the Assignment Ratio shall be increased in proportion to the free assignment, following a resolution by the Company Shareholder's Meeting;
3. executes reverse splits/splitting of shares, the Assignment Ratio shall be decreased/increased in proportion to the reverse split/splitting ratio, following a resolution by the Company Shareholder's Meeting;
4. executes free capital increases without issuing new shares or reducing capital due to losses, with no cancellation of the Company's ordinary shares, the Assignment Ratio shall not be modified;
5. executes merger/spin-off operations in which the Company is not the surviving/beneficiary company, the Assignment Ratio shall be consequently modified based on the relevant share swap/assignment ratios, following a resolution by the Company Shareholder's Meeting.

If a transaction other than those described above is performed and could cause similar effects, the Assignment Ratio shall be adjusted based on generally accepted methods, if necessary following a resolution by the Company Shareholders' Meeting.

**Art. 5 – Fractions**

In all cases where, in application of this Regulation, the Conditional Share Rights holder have the right to subscribe to shares not amounting to one full number, the same shall have



the right to subscribe shares up to the whole number and may not assert any right to the fraction.

#### **Art. 6 – Time limits**

If at the expiry of the duration of the Company pursuant to Article 4 of the Articles of Association in force, the Material Transaction has not been approved by the competent corporate bodies of SPAXS, the Conditional Share Rights shall forfeit all rights and become invalid for all purposes.

#### **Art. 7 – Tax System**

The assignment, acquisition, holding, and sale of Conditional Share Rights by the respective holders are subject to the tax system in effect for the individual holder.

#### **Art. 8 – Admission to trading**

Borsa Italiana will be asked to admit the Conditional Share Rights to trading on AIM Italia; thereafter, a request may be made for admission to another Market it organizes and manages.

#### **Art. 9 – Miscellaneous**

Unless otherwise provided by law, all Company communications to Conditional Share Rights holders shall be through a press release published on the Company website at [www.spaxs.it](http://www.spaxs.it).

Possession of Conditional Share Rights implies full acceptance of all conditions set out in this Regulation. This Regulation shall be governed by Italian law.

The Courts of Milan shall have exclusive jurisdiction over any disputes regarding Conditional Share Rights and the provisions of this Regulation.