

1. INTRODUCTION

1.1 Innse Cilindri S.r.l. (hereinafter "Innse Cilindri" or "Innse" or "Company") is a company engaged in the transformation of metals and, in particular, in the production, processing and marketing of cylinders both for steel purposes and other purposes. The Company is indirectly controlled by Ilva S.p.A. in extraordinary administration procedure provided by Decree Law 347 of 23 December 2003, converted with amendments into law 39 of 18 February 2004, (hereinafter "D.L. 347/2003").

1.2 By decree of the Ministry of Economic Development of 20 February 2015, Innse - subsequently declared insolvent by judgment of the Court of Milan of 5 March 2015 - was admitted to the extraordinary administration procedure pursuant to Article 3, paragraph 3 of Decree Law 347/2003; as a result, Mr. Corrado Carrubba, Mr. Piero Gnuidi and Mr. Enrico Laghi (hereinafter the "Official Receivers") were appointed as Official Receivers of the Company.

1.3 By Decree dated 04 January 2016, the Ministry of Economic Development authorized the execution of the Extraordinary Administration program of Ilva S.p.A., Ilva Servizi Marittimi S.p.A., Ilvaform S.p.A., Innse Cilindri, Sanac S.p.A. Taranto Energia S.r.l., Socova S.a.s. e Tillet S.a.s., written by the Official Receivers pursuant to the article 4, paragraph 2 of Decree Law 347/2003 aiming to the sale of businesses.

1.4 On 14 March 2019, the Official Receivers published the call "Invito a manifestare interesse all'acquisto dei complessi aziendali facenti capo ad Innse Cilindri S.r.l. in Amministrazione Straordinaria" with the aim of verifying the existence of potentially interested counterparties to the sale procedure of Innse Cilindri (hereinafter, the "Procedure"). Following the publication of the call, the Official Receivers received an expression of interest followed by the submission of a binding offer concerning the purchase of the businesses of Innse (hereinafter, the "Purchase Offer").

1.5 With this Call (hereinafter, the "Call"), the Official Receivers invite anyone who is interested to purchase the businesses owned by Innse Cilindri to submit improved offers compared to the Purchase Offer (hereinafter, the "Improved Offers"), in accordance with procedures, terms and conditions described below.

2. DUE DILIGENCE AND CLARIFICATIONS

2.1 To those interested in submitting an Improved Offer will be allowed the possibility:

- (i) to conduct a due diligence by, inter alia, accessing a virtual data-room (hereinafter, the "Data-Room") containing the industrial, technical, financial, accounting, fiscal and legal documentation relating to the businesses subject to the Procedure, as well as the contractual documentation on the basis of which to submit the relative Improved Offer;
- (ii) to carry out site-visits at the Innse Cilindri plant, as well as to carry out meetings with the Company's management according to procedures and timelines that will be announced with subsequent communication.

2.2 Access to the Data-Room will be allowed upon transmission – in two original copies, as well as in advance by e-mail, to the addresses pointed out in paragraph 7.1 – of the following documentation:

- (i) copy of the Data-Room regulation, published on the website of the extraordinary administration procedure of Innse Cilindri, initialed on each page and signed in full at the bottom by Your duly authorized representative, as a sign of his full acceptance;
- (ii) list of persons who will be allowed, on Your behalf and under Your responsibility, access to the Data-Room, drawn up according to the model published on the website of the extraordinary administration procedure of Innse Cilindri, initialed on each page and signed in full at the bottom by Your duly authorized representative;
- (iii) copy of the non-disclosure agreement published on the website of the extraordinary administration procedure initialed on each page and signed in full at the bottom by Your duly authorized representative, as a sign of his full acceptance.

2.3 If, during the due diligence procedure, the Official Receivers consider it useful and/or appropriate to activate the Q&A procedure provided by the Data Room Regulation, they shall promptly notify the following.

2.4 It is understood that the Company and the Official Receivers are in no way responsible for the truthfulness, correctness and completeness of the information and/or documentation that will be provided to interested parties.

3. PARTIES ENTITLED TO SUBMIT IMPROVED OFFERS

3.1 The Improved Offer may be submitted by sole proprietorships or companies (considered as such under the law of the State in which they are established) of any nationality, either individually or jointly with other sole proprietorships or companies ("Consortium"), which are able to: ensure production continuity of the businesses involved in the Procedure, including the guarantee of adequate employment levels.

3.2 In no case shall Improved Offers be considered if submitted by sole proprietorships or companies that:

- (a) in the 12 (twelve) months preceding the publication date of this Call were, or are today, in a state of liquidation and/or in any of the situations referred to in Articles 2446 and 2447 of the Italian Civil Code and/or in equivalent situations according to the laws of the State of origin;
- (b) in the 12 (twelve) months preceding the publication date of this Call were, or at the current date are subject to insolvency proceedings according to the laws of the State of origin, or any other proceedings implying their state of insolvency, state of financial distress, cessation of business or extraordinary administration in accordance with the laws of the State of origin;
- (c) have been subject to the disqualification sanction referred to in art. 9, paragraph 2, letter c) of Legislative Decree 231 of 8 June 2001, or have been subject to similar sanctions involving a ban on contracting with the public administration pursuant to the laws of the State of origin;
- (d) have been or are, or - in the case of undertakings in the form of company - whose members of the governing, management and control bodies have been or are:

 - (i) subject to proceedings for the application of one of the preventive measures referred to in art. 6 of Legislative Decree 159 of 6 September 2011 (or in art. 3 of Law 1423 of 27 December 1956) or any of the reasons for disqualification listed in Art. 10 of Law 575 of 31 May 1965, or equivalent proceedings or similar reasons for disqualification under the law of the home State, subject to the effects of rehabilitation;
 - (ii) convicted by a judgment that has the force of res judicata or by a criminal sentence that has become irrevocable, for serious crimes against the State or the European Union that affect professional integrity, subject to the effects of rehabilitation, or by similar measures for equivalent offences under the laws of the State of origin;
 - (iii) convicted by judgment with application of a penalty negotiated by the parties ("plea bargaining") pursuant to art. 444 of the Italian Code of Criminal Procedure, for serious crimes against the State or the European Union that affect professional integrity, or by similar measures for equivalent offences under the laws of the State of origin, subject to the effects of rehabilitation.

3.3 Likewise, any Improved Offers put forward on behalf of a person to be nominated, or which are submitted by intermediaries or trust companies, or for which the sole proprietorship or the company that submitted the Improved Offer, or the Consortium members are not clearly identifiable, shall not be taken into consideration.

4. TERMS AND CONDITIONS FOR THE SUBMISSION OF IMPROVED OFFERS

4.1 The Improved Offers must be received in a sealed envelope bearing the words "Improved Offer Project Cilindri 2 – CONFIDENTIAL" on the outside – to be delivered by hand, or by courier or post, assuming in any case the risk of non-delivery at time – no later than **18:00 (Italian time) of 18 November 2019**, at the office of the Notary Stefano Scaldaferrri, in 00196 – Roma, Via Flaminia, n. 195 (tel. 06/32.08.613 – fax 06/32.50.68.50).

4.2 The Improved Offers must be drawn up in accordance with the model that will be made available in Data-Room and must be initialed on each page and signed at the bottom in full by the legal representative or duly authorized attorney of the bidder.

4.3 The Improved Offers shall have as their object the purchase of the businesses based on the purchase agreement which shall be made available to those interested in submitting an Improved Offer in the manner referred to in paragraph 2.1 above.

4.4 The Improved Offers shall be binding and unconditional and shall remain valid and irrevocable until 31 March 2020. It is understood, in this regard, that the eventual acceptance, before the aforesaid date, of a binding offer by the Company will not entail the loss of effectiveness of the other Improved Offers which, in any case, will remain valid, effective and irrevocable until the expiration of the relevant expiry date (i.e. 31 March 2020).

4.5 Improved Offers shall, inter alia, include:

- (i) the declaration by the tenderer in accordance with the provisions of Presidential Decree No 445 of 28 December 2000 concerning the absence of grounds for exclusion as in paragraph 3.2 above. The Official Receivers reserve the right to carry out any appropriate verification of the truthfulness of the declarations made, as well as to request any other useful and/or necessary documentation regarding what has been declared.
- (ii) the indication, expressed in euros, of the price offered for the purchase of the businesses subject to the Procedure;
- (iii) the declaration of the bidding party certifying that the completion of the purchase of the businesses subject to the Procedure according to the modalities indicated in the relative Improved Offer:
 - (a) does not involve the violation of its statute or articles of association, nor the violation of legislative, administrative or regulatory measures applicable to it, nor does it involve any other violation such as to affect the full and complete validity and effectiveness of the Improved Offer;
 - (b) is not conditional on the acquisition by the same bidder of any corporate or regulatory authorization or any other authorization, with the sole exception of the authorization(s) expressly indicated in the contractual documentation on which the transaction is based.

4.6 To the Improved Offer shall also be included, inter alia, the following documents, the contents of which form an integral and essential part of the Improved Offer:

- (i) business plan and financial plan to operate the businesses subject to the Procedure (hereinafter, the "Business Plan"), drawn up in accordance with the criteria set out in the documentation to be made available in Data-Room, indicating, among other things, the strategic objectives of the industrial production of the aforesaid businesses, for a period of three years, the investments envisaged in that reference period, the financial resources required and the number of employees employed immediately and to be redeployed in that reference period;
- (ii) a prospectus, drawn up in accordance with the criteria set out in the documentation that will be available in Data-Room, containing details of the sources of financing and the financial means that the offeror intends to use to meet the financial commitments undertaken under the Improved Offer, with particular reference to the payment of the purchase price and the execution of the Business Plan, with an indication of the breakdown of the sources of financing between debt and equity, as well as a description of the methods and timing for the acquisition of the sources of financing that are not already available to the offeror (hereinafter, the "Prospectus of the Sources of Financing");
- (iii) a technical report, to be taken as an integral part of the Business Plan, containing: (a) a detailed description of the nature and activities carried out by the bidder and of any experience gained by the bidder in the reference economic sector; (b) an explanation of the reasons underlying the interest in purchasing the businesses subject to the Procedure and the business purposes of the participation in the Procedure; (c) any further information useful to confirm its industrial, commercial, technical and economic capacity in relation to the operation of the businesses subject to the Procedure; (d) any further information useful to confirm the sustainability of the assumptions underlying the Business Plan;
- (iv) a report illustrating the corporate structure through which the bidding party intends to proceed with the purchase of the businesses subject to the procedure;
- (v) copy of this Call and the contractual documentation that will be made available in Data-Room, initialed and signed, in the manner explained in paragraph 4.7 below, for express, full and unconditional acceptance;
- (vi) one or more independent bank guarantees issued on first demand by a primary bank(s) legally authorized to operate in Italy, on the basis of a text conforming to the model that will be made available in Data-Room, for a total amount of € 1,000,000.00 (one million/00), to guarantee the commitments undertaken under the Improved Offer;
- (vii) documentation attesting the powers of signature of the signatory(s) of the Improved Offer and the documents attached to it;
- (viii) a declaration of commitment by the offeror and its shareholders to make, each for its own share, the capital payments within the terms provided in the Prospectus of the Sources of Financing. Such declaration may also be requested to the parent company of each offeror's shareholder or, where the shareholder is not a member of a group of companies, to the person who exercises control over the offeror's shareholder;
- (ix) in the case of an offer from a Consortium, a copy of any shareholders' agreements, or equivalent documents signed by the shareholders of the Consortium's participants, together with a declaration by all the Consortium's participants that, with the exception of the documentation produced, there are no other agreements or documents governing relations between Consortium's participants in relation to the Improved Offer.

4.7 The Improved Offer and all the documents attached to it (with the exception of the bank guarantee(s) referred to in paragraph 4.6. sub (vi) above) must be initialed on each page and signed at the bottom in full and legibly by a duly authorized representative of the bidding party with the necessary powers. If the offer is submitted by a Consortium, it must be initialed on each page and signed in full by a representative of each member of the Consortium with the necessary powers. Such signatories shall be the signatories of the declaration of assumption of responsibility referred to in paragraph 4.6. sub (vii).

5. SUBSEQUENT STAGES OF THE PROCEDURE

5.1 After the expiry of the term referred to in paragraph 4.1 above, the Official Receivers shall proceed to evaluate the Purchase Offer and the Improved Offers received in accordance with the procedures and criteria that shall be made known to the parties concerned by means of subsequent communication.

5.2 Following the identification, between the Purchase Offer and the Improved Offers, of the most convenient offer, the Official Receivers reserve the right to carry out a further phase of exclusive negotiation with the relative bidder, aimed at any improvements to the offer submitted by the latter.

6. AWARD OF THE PROCEDURE

6.1 The businesses subject to the Procedure shall be awarded based on the Purchase Offer that is the Improved Offer which shall be deemed to be the most convenient by the Official Receivers, on the basis of criteria to be published in Data-Room. The award is in any case subject to the issue of the necessary opinions and authorizations by the Supervisory Bodies of the Procedure.

6.2 Innse Cilindri will notify the successful tenderer of its acceptance of the offer submitted. At the same time, Innse Cilindri will inform the successful tenderer of the date and place of the conclusion of the sale contract.

6.3 The purchase price shall be paid in full by the successful bidder of Innse Cilindri at the time of entering into the purchase agreement. Taxes and costs of the sale procedure shall be borne by the purchaser.

6.4 With the sole exception of the guarantee for breach of contract and for the declarations to be made for the validity of the deed under the applicable mandatory rules, the Official Receivers shall not give any declaration or guarantee in relation to the sale of the businesses belonging to Innse Cilindri, to any defects or faults, even hidden ones, or to lack of quality of the same goods, even in the case of *aliud pro aliis*. Innse's businesses will be disposed in the factual and legal situation in which they are currently located, as "seen and liked".

7. ADDITIONAL PROVISIONS

7.1 If the interested parties wish to receive clarifications and/or information in relation to this Call, they may request it by sending a specific communication in Italian to the Official Receivers' financial advisor, Rothschild & Co. Italia S.p.A., exclusively by electronic mail to the following address: ProjectCilindri2@Rothschildandco.com, stating as subject "Project Cilindri 2".

7.2 The publication of this Call and the receipt of expressions of interest or offers by the Official Receivers do not imply any obligation or commitment from the Official Receivers to sell the company's businesses belonging to Innse Cilindri to the applicants and/or bidders nor, for the latter, any right to any performance from the Official Receivers.

7.3 The Official Receivers reserve the right to withdraw at any time from the Procedure and to suspend, discontinue and/or change the terms and conditions thereof, without the applicant and/or bidders being entitled, vis à vis the Official Receivers or Innse Cilindri, to any claim by way of compensation or indemnity nor for any other reasons, including with respect to the costs incurred for participation in the Procedure.

7.4 The advisors of the Official Receivers, who assist them in carrying out the Procedure, assume no obligation and/or liability vis à vis the applicants who, by signing this Call, declare that they waive any claim in relation to the activities performed by such advisors in favor of the Official Receivers.

7.5 This Call does not constitute a call for offers nor a public offering pursuant to art. 1336 of the Italian Civil Code, nor a solicitation of funds from the public within the meaning of Articles 94 et seq. of Legislative Decree 58 of 24 February 1998.

7.6 Each interested party shall bear the costs related to its own research and evaluation, including any costs due to its lawyers and consultants, as well as any other costs related to the participation in the Procedure.

7.7 The data submitted by the interested parties shall be processed in accordance with the provisions of Legislative Decree 196 of 30 June 2003. Pursuant to the mentioned law, in the processing of personal data, the rights and privacy of the parties concerned shall be fully protected; the purpose of the processing is to verify the eligibility of the applicants to participate in the Procedure and to ensure the proper conduct thereof. The data controller shall be Innse Cilindri, in the person of the Official Receivers (or person delegated by them).

7.8 This Call and the provisions herein shall be governed by Italian law and shall be subject to Italian jurisdiction. For any dispute relating to this Call, to the sale procedure regulated herein, to its interpretation, validity and effectiveness, the Court of Milan shall have exclusive jurisdiction.

7.9 This Call has been published at the following address www.gruppoilvainas.it and www.innsecilindri.com, in Italian and English, it being understood that only the Italian text shall have legal effect.

Rome, 16 October 2019

I COMMISSARI STRAORDINARI
AVV. CORRADO CARRUBBA
DOTT. PIERO GNUIDI
PROF. ENRICO LAGHI