

TENDER REGULATION FOR THE SALE OF BUSINESS OF ITALIA WANBAO ACC S.R.L. IN A.S.

RECITALS

This document (hereinafter referred to as the “Tender Regulation”) aims at providing the rules for the development of the sale procedure regarding the business of Italia Wanbao ACC S.r.l. in Amministrazione Straordinaria (Extraordinary Administration) (hereinafter also referred to as “Wanbao ACC”), an Italian limited liability company having registered offices at Mel - Borgo Valbelluna (BL), Viale Vasco Salvatelli 4, admitted on 13th May 2021 to the procedure of Extraordinary Administration pursuant to Legislative Decree of 8th July 1999 no. 270.

The sale of the above mentioned business, to be regarded as the entire business of ACC (hereinafter referred to as the “Business”), has been expressly authorized by the Italian Ministero dello Sviluppo Economico (Ministry of the Economic Development, hereinafter “MISE” or “MED”), by decree dated 16th March 2021, and by Decree dated 6th May 2021 the call for tender has been authorized.

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Art.1 - PHASE 1: BEGINNING OF THE PROCEDURE, PUBLICATION OF THE CALL FOR EXPRESSIONS OF INTEREST

In order to perform a survey on the market interest in purchasing the Wanbao ACC Business, the Extraordinary Commissioner, Mr. Maurizio Castro, duly authorized by MISE, shall publish on the websites of Wanbao ACC and of the Court of Venice, and also on the newspapers “Il Corriere della Sera”, “Il Sole 24Ore” and “The Financial Times”, an invitation to express interest to the purchase of the Business (hereinafter referred to as “Invitation for expressions of interest” or “Invitation” only), along with a confidential Information Memorandum, containing the most relevant information on the industrial and economic potential of the Business and the terms and conditions for submitting the Invitation.

The Invitation shall provide that the bidders interested in taking part in the call for tenders for the sale of the Business shall submit their formal expression of interest within a two weeks term.

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Art.2 - PHASE 2: PREPARATION OF THE VIRTUAL DATA ROOM

After the examination of the received expressions of interest, the Extraordinary Commissioner shall assess them together with the MED and the Supervisory Committee and shall send a Letter of Procedure to the admitted bidders, who submitted the expression of interest in compliance with the provisions of the Invitation and the Information Memorandum (hereinafter the “Admitted Bidders”), certifying such admission and forwarding the following documents:

- (i) the Confidentiality Declaration;
- (ii) the Regulation regarding the access to the virtual Data Room and the inspection of the documents contained therein (“Data Room Regulation”), along with the template for the formal request of access to the virtual Data Room with specification of the employees or consultants appointed for such access.

The Admitted Bidders shall be requested to properly read and fully and unconditionally accept the documents attached to the Letter of Procedure and the letter itself; such documents shall be initialed on each page and signed for acceptance at the foot of the final page by the legal representative of the bidder and they shall be returned, within the term of 8th July 2021 to Wanbao ACC, to the kind attention of the Extraordinary Commissioner, by ordinary mail or courier, eventually disclosed in advance, within the said term, by electronic scan attached by e-mail, to the address already provided in the Invitation.

The Admitted Bidders shall also be requested to provide a list of the persons responsible for accessing to the virtual Data Room (“Work Team”) and of the person appointed as Work Team responsible (“Responsible person”) containing the relevant full names and positions (e.g. employee, legal counsel, financial consultant, etc.).

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Art.3 - PHASE 3: OPENING OF THE DATA ROOM AND PERFORMANCE OF THE DUE DILIGENCE

The Admitted Bidders who shall be compliant with all the requirements under phase 2 shall be admitted to the virtual Data Room, which shall be held starting from 12th July 2021 at 15:00 CET. The access to the virtual Data Room and the performance of the due diligence shall terminate on 17th September 2021 at 15:00 CET.

In order to access to the virtual Data Room the Admitted Bidders, after completion of phase 2 and under evaluation of the Extraordinary Commissioner, will be supplied with usernames and password.

The dates scheduled for the access of each Work Team to the virtual Data Room shall be notified to the Admitted Bidders who have regularly submitted the documents set out within the phase 2; the Admitted Bidders, upon a specific request, shall agree with the Extraordinary Commissioner the terms and conditions for a visit to the production sites of the Business, in accordance with the production needs of Wanbao ACC and the emergency measures adopted by the Italian Government and the Veneto Region for the containment of the SARS-Cov-2 virus spread.

All the information made available in the virtual Data Room shall be independently verified by the Admitted Bidders.

During the activity of due diligence and until 10th September 2021 at 24:00 CET, all the Admitted Bidders may forward in writing a request for information, clarifications and/or further documents to the people appointed for that purpose by the Extraordinary Commissioner, pursuant to the terms and conditions set out in the Data Room Regulation.

The Extraordinary Commissioner reserves the right to determine the terms and conditions to meet the potential requests for information strictly related and relevant to the bid, any clarification and/or further documents. General or exploratory enquiries shall not be taken into account.

Any request made during the activity of due diligence may be anonymously forwarded by the Extraordinary Commissioner to all the other Admitted Bidders, where possible, together with the relevant answer, if any.

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Art.4 - PHASE 4: BINDING OFFERS AND EVALUATION BY THE EXTRAORDINARY COMMISSIONER

After the expiration of the mandatory deadline for the access to the virtual Data Room and the performance of the due diligence, the Admitted Bidders shall send their binding and definitive offers to the **Notary Public Mr. Giorgio Gottardo of Padova**, which shall be received within the term of **5th October 2021 at 16:00 CET**.

The terms and conditions of delivery and the relevant contact details shall be the following: the offers, with all the relative annexes, shall be drafted in Italian or English, initialed on each page and duly signed at the foot of the final page by the legal representative of the bidder, and sent to the above mentioned Notary Public, to the kind attention of the Extraordinary Commissioner, Mr. Maurizio Castro, at the following address:

Notaio dott. Giorgio Gottardo - FAG Notai

Via N. Tommaseo, 76/D

35131 Padova (Italy)

by registered mail with return receipt, or courier, in either case in a sealed envelope, with the name of the Admitted Bidder and the specification in the outer side of the envelope: "Confidential – Wanbao ACC binding offer".

The binding offers shall also be deemed as timely received **within the deadline of 5th October 2021 at 16:00 CET** in case they are anticipated within the above deadline via fax at number (+39) 049 8759505 or via certified electronic mail at the address giorgio.gottardo@postacertificata.notariato.it, together with the relevant annexes and the receipt of shipment of the original envelope via registered mail or courier.

Any offer for the purchase of the Business (hereinafter the "Binding Offer") shall be deemed as binding and irrevocable until the termination of the sale procedure, and shall contain at least the following data:

1) the price offered for the purchase of the Business of Wanbao ACC which shall be determined taking into account the value resulting out of the Business appraisal requested by the Extraordinary Commissioner pursuant to article 62 par. 3 of Legislative Decree no. 270/99, available in the Data Room;

2) a potential request for rent of the Business, preliminary to the sale; in such a case, the Binding Offer shall provide for the obligation to purchase the Business at the expiration of the rent period, being understood that the Business transfer shall take place no later than the annual term set forth at article 27 par. 2 of Legislative Decree no. 270/99;

3) a declaration of the Admitted Bidder that the Business shall be purchased by the Admitted Bidder itself or by a Newco fully owned by himself;

4) an industrial plan, including:

a) a *business plan* containing (i) the main strategies that are intended to be pursued; (ii) the operating and development programmes and the economic-financial budget for the two-year period following the transfer of the Business; (iii) the minimum investments envisaged and the timeframe for their implementation (iv) the number of employees of the Business, divided by category and organisational structure, for whom the employment relationship is to be assumed and the Bidder's commitment to maintain such levels for at least two years following the Effective Date of transfer of the Business (subject to the completion of the procedure provided for under article 47 L. no. 428/1990); (v) an explanation of the reasons underlying the interest in the purchase of the Business subject to the Binding Offer and of the business purpose of such purchase, as well as (vi) any other information useful to prove the industrial, economic and financial capacity of the bidder;

b) a *financial plan* which shall also contain (i) indications of the financial resources that the bidder intends to use for the acquisition of the Business to continue operations, to maintain the agreed employment levels and for the investments in the Business envisaged in the plan, accompanied by the types of financing sources that are intended to be used (broken down into debt and equity); (ii) a description of the methods and timing required to obtain the availability of the aforementioned financial resources.

5) the expressed undertaking of the prospective purchaser to continue the business activities and to maintain the employment levels established in the sale agreement for at least two calendar years since the date of the purchase;

6) a declaration of existence any authorization, permit, consent, approval from any public or private authority that may be necessary for the purchase of the Business by the Admitted Bidder and the estimated timing for obtaining such authorization, permit, consent, approval;

- 7) a preliminary assessment concerning the necessity of any antitrust approval for the purchase of the Business of Wanbao ACC, together with the indication of any antitrust authorities involved;
- 8) the expressed acceptance of the standard draft preliminary contract for the sale of the Business provided in the virtual Data Room, that shall be initialized on each page and duly signed at the foot of the final page, for its full acceptance, together with this Tender Regulation, that shall also be initialized on each page and duly signed at the foot of the final page. Such acceptances shall be provided by the named legal representative of the Admitted Bidder, having due powers still in force and not revoked at the relevant time;
- 9) a declaration that the bidder has carried out adequate Due Diligence and verification of the Business, that it is satisfied with the same and that the Binding Offer is made without any reservation whatsoever; in the event that the bidder has not carried out Due Diligence and verification of the Business, a declaration expressly acknowledging that the Binding Offer is made without any reservation is however required;
- 10) the expressed obligation of the prospective purchaser to enter into the final purchase agreement for the Business, which agreement shall not be in conflict with the provisions of the preliminary purchase agreement (or alternatively the express acceptance of the final purchase agreement, if examined in draft in the virtual Data Room);
- 11) the expressed obligation of the prospective purchaser to pay, upon signing the preliminary purchase agreement, a down payment equal to 15% of the purchase price and to provide an adequate bank or insurance guarantee, consistent with the obligations undertaken with the binding offer, concerning the payment of the balance of the purchase price and the obligation of the prospective purchaser to continue the business activities and to maintain the employment levels, as stated in the draft preliminary agreement for the sale of the Business.
- 12) express statement that the Binding Offer shall remain firm and irrevocable for a period of 120 (one hundred and twenty) days from the expiry of the time limit for submitting the Binding Offer set out above.

A bank or insurance guarantee at first request, issued by an Italian or foreign leading bank or insurance company, to be reasonably appreciated by the Extraordinary Commissioner, in favour of Italia Wanbao-ACC S.r.l. in Amministrazione Straordinaria, must be annexed

to the Binding Offer for its validity. Such guarantee at first request must cover the fulfillment of the obligations of the Admitted Bidders stated in the Binding Offer (including the obligations to enter into the preliminary agreement for the sale of the Business) for an amount of € 350.000,00 and be valid until 31 December 2021. The Admitted Bidders undertake to renew such guarantee if the tender is not awarded before the term of 31 December 2021. The guarantee will be returned to the Admitted Bidders who will be not awarded as the winner of the tender. At the signature of the preliminary agreement for the sale of the Business, the guarantee shall be replaced by the winner with the bank or insurance guarantee described in the above mentioned point no. 9.

The Extraordinary Commissioner reserves the right, at any stage of the procedure for the sale of the Business, to suspend such procedure and: a) make any amendments and additions to the above mentioned sale procedure that may be necessary and/or simply opportune; b) publish invitations to submit bids and admit any third party to the above mentioned procedure, even for the phases that may have already been carried out, subject to acceptance of the necessary tender documentation; c) amend the list of assets and relationships forming part of the Business to be sold.

Art.5 – PHASE 5: ASSESSMENT OF THE BINDING OFFERS

In compliance with the provisions of Article 63 of Legislative Decree no. 270/1999, the Extraordinary Commissioner reserves the right to evaluate, with the authorisation of the MISE and having consulted the Supervisory Committee, the appropriateness of the offers received taking into account, *"in addition to the price offered, the reliability of the bidder and the plan for the continuation of the business activities, also with regard to the maintenance of the employment levels"*, also the guarantees offered by the perspective purchaser for the preservation of the integrity and homogeneity of the activity for sale, as well as the planned investments and the existing operational and commercial synergies.

More generally, preference will be given to the offer offering the best balance between (i) industrial and employment prospects and (ii) creditors' satisfaction prospects.

The Extraordinary Commissioner will also take into consideration the reliability of the bidder, with particular regard to its financial soundness and its ability to raise the necessary financial resources, as well as the content and sustainability of the industrial plan, with particular reference to the employment commitments, the commercial strategy and the investments contemplated therein.

The guarantees provided in addition to those requested and, more in general, any further element that positively qualifies the Binding Offer for the purposes of the Extraordinary Administration shall be taken into due consideration.

The price offered shall be compared with the value resulting from the appraisal of the Business requested by the Extraordinary Commissioner pursuant to Article 62, par. 3, of Legislative Decree No. 270/99.

The Extraordinary Commissioner reserves the right to proceed with further negotiations with one or more of the bidders, aimed at obtaining improvements to the Binding Offers received.

Art. 6 - PHASE 6: POSSIBLE PRICE BIDS

In the event that more than one Binding Offer is submitted, the Extraordinary Commissioner, in agreement with the Ministry of Economic Development, having consulted the Supervisory Committee, reserves the right to launch a call for tenders among the bidders and to initiate a bidding phase, provided that the bids received:

- ✓ have been drawn up in accordance with the basic principles and criteria indicated in the preceding Article 4,
- ✓ are guaranteed by the delivery to the Extraordinary Commissioner of a first demand bank guarantee for the amount indicated in Article 4 above, or by the lodging of an

appropriate security or other form of guarantee deemed suitable by the Extraordinary Commissioner.

The terms and conditions of the tender shall be detailed in a specific communication sent to the parties admitted to the bidding phase.

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ART. 7 - PHASE 7: TENDER AWARD - SIGNATURE OF THE SALE AGREEMENT OF THE BUSINESS – TERMINATION OF THE SALE PROCEDURE

Once the Phase 5 (or Phase 6, if applicable) is completed, the Extraordinary Commissioner submit the proposal for award to the MISE, which is responsible for any final decision on the sale of the business to be sold, pursuant to Article 42 of the Legislative Decree 270/1999, after hearing the opinion of the Supervisory Committee.

Once authorized by the Ministry, the Extraordinary Commissioner shall initiate the formal trade-union consultation procedure provided for by Article 47 of L. no. 428/1009 and afterwards shall sign the preliminary sale agreement for the Business with the winning bidder.

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Art.8 - FINAL PROVISIONS

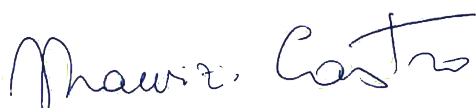
a) This Tender Regulation and the admission to the Data Room are not intended, nor shall be deemed, to establish any contractual or non-contractual obligations whatsoever upon Wanbao ACC, the Extraordinary Commissioner and the Admitted Bidders including, without limitations, in respect of the sale of the Business contemplated under this document, the beginning of the relevant sale procedure, its subsequent termination or revocation of previously Admitted Bidders thereto. The Extraordinary Commissioner reserves the right to withdraw at any time the negotiations for the sale, during any phase whatsoever thereof, and to suspend or interrupt the sale procedure, without any right for the interested bidders submitting interest declarations or Binding Offers to claim any damages.

b) By accepting this Tender Regulation, the signing entity fully accepts the Italian Law as the applicable law and the Court of Venice having exclusive jurisdiction to settle any

dispute arising out of, in relation to, or otherwise connected with, this Tender Regulation and/or the other attached documents to the Letter of Procedure and in general on the sale procedure of the Business of Wanbao ACC.

c) It is expressly acknowledged that the official language of this Tender Regulation and of the standard draft preliminary contract for the sale of the Business and of the definitive contract for the sale of the Business is Italian; therefore a mere translation in English of the said documents will be provided. In case of any discrepancies between the two versions (Italian and English), the Italian version shall prevail.

Borgo Valbelluna (BL), August 2nd, 2021



The Extraordinary Commissioner

Dott. Maurizio Castro

In sign of acceptance

_____ (*signature and stamp*)

Pursuant to articles 1341 and 1342 of the Italian Civil Code, the Admitted Bidders confirm that they have read, understood and accepted the clauses of these Tender Regulation, and expressly accept, after further examination and analytical evaluation, the following articles specifically: 4 (content of the binding offer), 5 (assessment of the binding offers); 6 (possible price increases); 8 (final clauses, exclusive jurisdiction).

_____ (*signature and stamp*)