

EXTRAORDINARY ADMINISTRATION OF ALITALIA SERVIZI S.p.A.

Object: Call for the sale of the shareholding held by Alitalia Servizi S.p.A. under Extraordinary Administration in the corporate capital of Belac LLC

1. INTRODUCTION

By way of decree dated 15th September 2008, the Ministry of Economic Development (hereinafter, the “**Ministry**”), Alitalia Servizi S.p.A. was admitted to the extraordinary administration proceedings provided under Legislative Decree No. 347 of 23rd December 2003, converted into Law No. 39 of 18th February 2004, as subsequently amended and supplemented by Law Decree No. 134 of 28th August 2008, converted into Law No. 166 of 27th October 2008. On 25th September 2008, the Court of Rome declared the state of insolvency also of Alitalia Servizi S.p.A.

On 19th November 2008, the former Extraordinary Commissioner submitted to the Ministry a sale program pursuant to art. 27, paragraph 2, letter b-bis) of Legislative Decree No. 270/1999 (hereinafter, the “**Sale Program**”), which envisages, *inter alia*, the sale of the shareholdings held by Alitalia Servizi in the company of Belac LLC with registered office in Florida, USA, as better described and identified here below (hereinafter, the “**Shareholding**”).

With its own decree dated 19th November 2008, the Ministry approved the Sale Program and authorized its implementation.

The Sale Program envisages that the sale of the shareholdings held by Alitalia Servizi, including the Shareholding, must occur by publication of separate calls, previously authorized pursuant to the art. 42 of Law Decree of 8th July 1999 No. 270, after consulting the Supervisory Committee.

With decree of the President of the Council of Ministers, dated 8th of August 2011, following the resignation of the former Extraordinary Commissioner, Prof. Avv. Stefano Ambrosini, Prof. Avv. Gianluca Brancadoro and Prof. Dott. Giovanni Fiori have been appointed Extraordinary Commissioners of Alitalia Servizi (hereinafter, the “**Extraordinary Commissioners**”).

In pending of the execution of the new selling procedure, Alitalia Servizi has received from a possible purchaser offer for the purchase of Shareholding for a price of US\$ 300.000,00 (\$ threehundredthousand/00) (hereinafter, the “**Purchase Offer**”).

With decision dated October 16th 2017, the Ministry, upon request of the Extraordinary Commissioners, considering the favorable opinion of the Supervisory Committee, authorized the Extraordinary Commissioners for the sale of the Shareholding through private negotiation, subject to the prior search on the market for any potential better offers. Therefore, the Extraordinary Commissioners invite any party interested in the purchase of the Shareholding to submit a higher binding offer than the Purchase Offer, according to the modalities, terms and conditions described below, taking in consideration the statutory provisions related to the transfers of the Shareholding.

2. INFORMATION ON BELAC LLC

Belac LLC is a limited liability company established under the laws of Delaware (USA) on July 6, 1999, with registered office in Florida, USA (hereinafter, “**Belac**” or the “**Company**”).

Further information will be provided to potential purchaser of the Shareholding during the *due diligence* upon request and pursuant to a confidentiality agreement. Preliminarily, please note that:

- 1) as of the date of this Call, the Shareholding held by Alitalia Servizi is equal to 5.27% of corporate capital of Belac;
- 2) the Shareholding attributes shares in profit and losses of Belac. The payment of distributions is also measured in relation to the quantity of parts purchased by a member of the Company. The Operating Agreement of Belac requires members to purchase the high-pressure turbine engine blades produced by Belac, to the extent comparable blades are consumed by a member;
- 3) as set out with more specificity below, the sale of the Shareholding is subject to the right of first refusal and the tag-along right of each of the other members of Belac.

2.1 PRE-EMPTION RIGHT AND TAG-ALONG RIGHT

The sale of the Shareholding is in any case subject to the condition precedent that the shareholders of Belac do not exercise the pre-emption right in accordance with art. 7.5 of the Operating Agreement (hereinafter, “**Pre-emption right**”) or waive in writing such Pre-emption right.

To this extend, once individuated the best offer for the purchase of the Shareholding, the Extraordinary Commissioners will communicate to Belac and to the other Belac’s shareholders (i) the personal details of the potential purchaser, (ii) the date in which the sale will occur, (iii) the price of the Shareholding, and (iv) the payment terms and the other conditions of the sale (hereinafter, the “**Communication**”).

Any Belac shareholder that intend to exercise the Pre-emption right and purchase the Shareholding at the price and conditions as set forth in the Communication shall, shall inform in writing the Extraordinary Commissioners and all the shareholders of the Company of such decision by and no later than 60 days from the mailing date of the Communication.

If the Pre-emption right is not exercised in accordance with the terms and conditions indicated above, or if all shareholders waive their rights, any shareholder shall have a further term of 30 days from the expiry of the term for the exercise of the Pre-emption right, to exercise a tag-along right with respect to the entire participation held by such shareholder in accordance with the provisions of the Operating Agreement (hereinafter, the “**Tag-Along Right**”). Considering the above-mentioned terms, any offeror shall have to include a statement in the Binding Offer declaring its availability to purchase also the residual interests held by other Members of Belac at the same terms and conditions.

In case one or more Members exercise the Tag-Along Right, the Extraordinary Commissioners shall promptly inform the potential purchaser, who shall have to purchase also the interests in the Company held by the shareholders who have exercised the Tag-Along Right in accordance with the provisions of the Operating Agreement of Belac.

3. MODALITIES AND CONDITIONS FOR THE PARTECIPATION IN THE SELLING PROCEDURE AND FOR THE AWARDING

Subject to the penalty of exclusion, the offers must be higher than the Purchase Offer, thus the price for the purchase of the shareholding owned by Alitalia Servizi in Belac (plus any additional tax as per applicable laws) must be higher than US\$ 300.000,00 (\$ threehundredthousand/00).

Binding offers on behalf of parties to be designated, or submitted as fiduciary agent or on behalf of third parties will not be admitted.

Subject to the penalty of exclusion, the binding offers must provide for a guarantee in favor of Alitalia Servizi for an amount equal to 10% of the offered price. The guarantee may be enforced, also as liquidated damages, in the event of breach of the obligations arising from the binding offer.

The guarantee shall be in the form either of:

- a) one or more autonomous and first demand bank guarantee(s) issued by an Italian or foreign bank in favor of Alitalia Servizi. Such guarantees: (i) must be governed by Italian law and cannot provide for a non-Italian jurisdiction; (ii) must include an express waiver of the right to enforce the prior payment by the main obligor ("*beneficio della preventiva escussione del debitore principale*") as well as the waiver of all the exceptions under Articles 1945 and 1957 of the Italian Civil Code, the obligation of the issuing bank to make the relevant payment within 15 days from the written request of Alitalia, all objections removed; and (iii) must expire no earlier than February 28th 2018;
- b) one or more non-transferable bank drafts ("*assegni circolari*") issued by an Italian or foreign bank in favor of Alitalia Servizi.

Such guarantees will be returned to the awarded offeror, at the time Alitalia Servizi will receive the payment of the entire purchase price, and to the other offerors, either within 5 (five) business days following the execution with another offeror of the sale and purchase agreement, or within 5 (five) business days following the decision of the Extraordinary Commissioners to not proceed with the sale of the Shareholding.

In the event of any higher binding purchase offer duly submitted, the Extraordinary Commissioners, in a public meeting at the presence of an Italian Public Notary, will require the offerors to submit increased offers, for not less than US\$ 10.000,00 (\$ tenthousand/00) starting from the highest offered price (upon condition that the relevant representative of the offeror present during the public meeting has the necessary powers, also to integrate the guarantee by bank drafts). The party who has submitted the Purchase Offer will be also invited at the above public meeting and may propose any increased offers.

In the event of lack of any higher binding valid offer and/or increased offers, the Extraordinary Commissioners hereby give notice that they will start private negotiations with the party which has submitted the Purchase Offer.

3.1 MODALITIES TO SUBMIT THE BINDING OFFERS

Interested parties must submit their binding offer by hand or by courier or mail – provided that in the latter two cases, the risk of non-delivery on time is on the offeror – and no later than 12.00 pm (noon Italian time) on **December 1st 2017**, in a closed envelope, to the main office of Italian Public Notary Monica Giannotti, Viale Liegi n. 52, (00198) Roma - Italy, to the to the kind attention of the Extraordinary Commissioners of the “Alitalia Group in a.s.,” and setting out the wording *“Sale of shareholding held by Alitalia Servizi S.p.A. in A.S.– STRICTLY PRIVATE AND CONFIDENTIAL – DO NOT OPEN”*.

The envelope must include the binding offer - initialed on each page and signed on the last page by the legal representative or by an attorney, duly authorized - to be drafted in accordance with the form published on the websites www.alitaliaamministrazionestraordinaria.it, and including, subject to the penalty of exclusion, the declarations and commitments provided in such form.

The following documents must be attached to the binding offer:

- (a) original of the bank guarantee(s) or the original of the bank drafts issued in favor of Alitalia Servizi (it being understood that the awarding will be subject, in any case, to confirmation, also in second instance, of the validity of the guarantee provided); and
- (b) original/notarized copy of the document granting to the legal representative/special attorney of the offeror the relevant powers to submit the binding offer and to submit increased offers, also for the simultaneous increase of the guarantee.

The binding offers must not be subject to any term and/or condition, whether expressed or implicit, nor, for example, to any further due diligence activity, any financing condition or any other events, authorizations or corporate approvals.

The purchase price offered for the Shareholding must be indicated both in numbers and letters, it being understood that in the event of inconsistency between the numbers and the letters, the price expressed in letters shall prevail.

If the guarantee provided does not match the purchase price indicated in the binding offer, the value determined based on the guarantee provided shall prevail.

The binding offers (and the documents attached thereto) must be either in Italian or in English.

3.2 EXAMINATION OF THE BINDING OFFER

The examination for the binding offers will take place starting from 10:00 (Italian time) on **December 5th 2017**, at the presence of the Extraordinary Commissioners (or a person delegated by them), and of the Italian Public Notary, Monica Giannotti, at the office of Viale Liegi n. 52, (00198) Rome (Italy). No more than two representatives for each offeror may attend the public meeting, provided that the names of such representatives are communicated by and no later than 12.00 pm (noon Italian time) on 4th December 2017 to

the following address villani.alessia@alitaliaamministrazionestraordinaria.it. The Italian Public Notary will prepare a written report of the receipt and the opening of the envelopes.

During the public meeting, the Extraordinary Commissioners reserve the right to request the offerors to provide clarifications and further information.

In the event of submission of valid offers higher than the Purchase Offer, the Extraordinary Commissioner will request, during the public meeting, the offerors to submit increased offers, starting from the highest price offered (upon condition that the relevant representative of the offeror has the necessary powers, also to integrate the guarantee).

The increased offers must be equal to at least US\$ 10.000,00 (\$ tenthousand) and be guaranteed by bank drafts ("*assegni bancari*") issued by an Italian or foreign bank, for an amount equal to 10% of the difference between the price indicated in the binding offer already submitted and the higher price over-bid in the public meeting. The interested party who has submitted the Purchase Offer will be invited to the public meeting and may submit increased offers.

In the event of lack of any higher valid offer and/or increased offers, the Extraordinary Commissioners hereby gives notice that they will start private negotiations with the party which has submitted the Purchase Offer, to whom may be request to present an increased offer.

The highest offer shall be deemed to having been accepted by Alitalia Servizi only after the issuance of the relevant written communication.

The validity of the offers shall cease only following the expiration of the term provided therein or upon expiration of the shorter term which may be communicated in writing by Alitalia Servizi and therefore the acceptance by Alitalia Servizi of another offer before the expiration of the above-mentioned term shall not cause the other offers submitted to become invalid. If, for any reason, the transfer of the shareholding to the awarded offeror cannot be executed, Alitalia Servizi shall have, in any case, the right to award the shareholding to the second-best binding offer received (and, subsequently, to the next binding offers with the highest consideration, if needed).

The signing of the sale and purchase agreement will take place, after the examination of the offers, in the date and at the venue which will be immediately communicated to the contractor by Alitalia Servizi, no later than ninety (90) days after the public meeting.

The sale of the Shareholding shall take place through execution of the relevant sale and purchase agreement, which shall be drafted by Alitalia Servizi, following completion of all the procedures described above, on the date and place which shall be communicated to the awarded party by Alitalia Servizi, in compliance with terms provided by the Operation Agreement of Belac, prior authorization of the Ministry.

The price must be fully paid by the purchaser to Alitalia Servizi within the deed of sale and purchase agreement.

The Extraordinary Commissioners, with the exclusive exception of the warranty of free and clear title and possession and of the mandatory due pursuant to the law for the transferability of the shareholding, shall not provide any further representations and/or warranties related to the shareholding, any defects in the same, including latent defects, or

lack of qualities. It being agreed that the purchaser will purchase the shareholding on an "as is" basis ("*vista e piaciuta*"), in their current factual and legal state.

Taxes and fees of the purchase will be paid by the purchaser.

4. VIRTUAL DATA ROOM

The interested parties, upon request to be submitted by e-mail to the address villani.alessia@alitaliaamministrazionestraordinaria.it, will be admitted to the virtual data room concerning the Shareholding (the "**Virtual Data Room**") to which may be admitted starting from the date of publication of this notice up to the deadline for the submission of the binding offers, after the acceptance of the confidentiality agreement which will be provided by Alitalia Servizi.

5. CLARIFICATIONS

For any further clarification and/or information on this sale procedure, any interested party may send a specific request by and no later than 12.00 pm (noon Italian time) on November 20th 2017, via e-mail only, to the following address villani.alessia@alitaliaamministrazionestraordinaria.it, indicating in the subject matter: "*clarifications on the sale procedure of Belac Shareholding*".

The Extraordinary Commissioners (or a person delegated by them), with the assistance of their advisors, shall send, the requested clarifications and/or information to all requesting parties by and no later than 6.00 pm (Italian time) on November 24th 2017, upon the condition that it will not affect the confidentiality of the offerors.

6. NON-BINDING NATURE OF THIS CALL

The publication of this call and the receipt of binding offers do not give rise to any obligation for the Extraordinary Commissioners to sell the Shareholding to the offerors nor, for such parties, to any right to receive any performance from Alitalia Servizi, and/or the Extraordinary Commissioners (including brokerage or consultancy fees) of any kind whatsoever.

The Extraordinary Commissioners shall be under no obligation to perform or complete the present sale procedure because of the publication of this Call or receipt of binding offers. The binding offers do not give rise to any title, right or legal position which may entitle a party to claim completion of the present sale procedure.

The Extraordinary Commissioners reserve the right to make any decisions relating to the present sale procedure, including the right to withdraw at any time from the present sale procedure, regardless of the state of progress of the same; to suspend, interrupt or amend the terms and/or conditions of the present sale procedure or to assume undertakings *vis-à-vis* other parties, it being understood that in such cases none of the interested parties or offerors will be entitled to assert a claim for damages or indemnification or for any reason whatsoever *vis-à-vis* the Extraordinary Commissioners and/or Alitalia Servizi.

This Call does not constitute a solicitation for an offer, or an offer to the public pursuant to art. 1336 of the Italian Civil Code.

Neither the Extraordinary Commissioners and/or Alitalia Servizi shall be liable for any costs incurred by the interested parties or offerors in connection with their participation to the present sale procedure.

Throughout the present sale procedure, the interested parties and the admitted parties must always act in a manner inspired by principles of fairness and good faith.

7. FURTHER PROVISIONS

Any decisions relating to this Call, the present sale procedure and the consequent execution of the sale and purchase agreement for Shareholding are conditioned upon and, in any case, subject to, the authorization of the Ministry, upon consultation with the Supervisory Committee.

The Extraordinary Commissioners and/or Alitalia Servizi, with the exclusive exception of the warranty of free and clear title and possession due pursuant to the law for the transferability of the Shareholding, shall not provide any further representations and/or warranties in connection with the Belac's Shareholding, economic and income conditions of Alitalia Servizi and/or their assets and legal relationships, any defects in the same, including latent defects, or lack of qualities, and charges levied on them, it being agreed that the purchaser will purchase the Shareholding on an "as is" basis ("*vista e piaciuta*"), in their current factual and legal state.

The Extraordinary Commissioners are not responsible for the truthfulness, accuracy or completeness of the information and/or documentation provided.

The advisors and consultants of the Extraordinary Commissioners have no obligation vis-à-vis the interested parties or offerors who, by signing this Call, declare that they expressly release such advisors and consultants from any liability whatsoever and waive the right to raise any claim they may have in connection with the activities carried out by the same in favor of the Extraordinary Commissioners.

The processing of data sent by the interested parties and/or the admitted parties and/or offerors shall be in accordance with the provisions of Legislative Decree No. 196 of 30th June 2003. Under such provisions, the processing of personal data will be carried out in such a manner as to ensure the full protection of the rights and confidentiality of the Interested Parties; the processing of the data is aimed at verifying the eligibility of the parties to participate in this sale, as well as the correct execution of the same. The holder of the data processing will be Alitalia, against whom any relevant party may enforce the rights provided under art. 7 of Legislative Decree No. 196 of 30th June 2003.

This Call and the provisions of the same are governed by Italian law.

The Court of Rome shall have exclusive jurisdiction over any dispute that may arise out of or in connection with this Call, its interpretation, validity and effectiveness.

This Call is published on the websites of the Extraordinary Administration Procedure www.alitaliaamministrazionestraordinaria.it in Italian and English, it being understood that the Italian version shall be the only official version of this Call.

Rome, 31 October 2017

The Extraordinary Commissioners

Prof. Avv. Stefano Ambrosini

Prof. Avv. Gianluca Brancadoro

Prof. Dott. Giovanni Fiori