

EXTRAORDINARY ADMINISTRATION OF ALITALIA LINEE AEREE ITALIANE S.P.A.

Object: Call for the sale of the shareholding held by Alitalia Linee Aeree Italiane S.p.A. under Extraordinary Administration in the corporate capital of Egyptian Aviation Services.

1. INTRODUCTION

Upon request by Alitalia – Linee Aeree Italiane S.p.A. (hereinafter, “**Alitalia**”), the President of the Council of Ministers, through his own decree dated 29 August 2008, admitted to the extraordinary administration proceeding referred to under Legislative Decree No. 347 of 23 December 2003, converted into Law No. 39 of 18 February 2004, as subsequently amended and supplemented by art. 1, paragraph 3, of Legislative Decree No. 134 of 28 August 2008, converted into Law No. 166 of 27 October 2008. On the 5th of September 2008, the Court of Rome declared the state of insolvency of Alitalia Linee Aeree Italiane 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 in the company of Egypt Aviation Services under Egyptian law with registered office in Cairo, Egypt, 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 Program approved by the Ministry provides that the sale of the shareholdings held by Alitalia, including the Shareholding, must take place through separate competitive procedures to be previously authorized by the Ministry, pursuant to art. 42 of Legislative Decree No. 270 of 8 July 1999, upon consultation with the Supervisory Committee.

With the 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 Linee Aeree Italiane (hereinafter, the “**Extraordinary Commissioners**”).

In pending of the execution of the new selling procedure, Alitalia has received from a possible purchaser offer for the purchase of Shareholding for a price of US\$ 500.000,00 (fivehundredthousand/00) (hereinafter, the “**Purchase Offer**”).

With decision dated 2nd July 2018, the Ministry, upon request of the Extraordinary Commissioners, considering the favourable opinion of the Supervisory Committee, authorized Alitalia for the sale of the Shareholding through private negotiation, subject to the prior search on the market for any potential better offers.

Hereby, 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 EGYPTIAN AVIATION SERVICES

EAS was established in 1989 in order to perform handling activities in competition with Egypt Air on the initiative of the Egyptian Ministry of Tourism and Civil Aviation. In this context, the Share Ownership offered to five different foreign airlines, including Alitalia, an amount equal to 5,83% each of its share capital, in order to support the Egyptian shareholders, who initially hold a 70% share of the capital.

The main activities carried out today by EAS concern the performance of handling services for passengers and aircraft at Cairo International Airport and other airports in Egypt. In particular, these services are provided for all activities related to the program of scheduled flights and private flights.

Following the admission to the extraordinary administration procedure, EAS called Alitalia, on January 5th 2011, to sell its Shareholding offering it, on the basis of the provisions of EAS by-laws, in pre-emption to other shareholders and, only in the lack of interest of these subjects, to third parties.

The terms to exercise the pre - emption right has expired and, therefore, the Shareholding can be transferred to other companies entitled to specific requirements of EAS by-laws. In particular, the Shareholding can be transferred to those third parties that:

- (i) are airline companies carrying on the business of regular air transportation to and from Egypt, or, airline industry related companies that carry out their business in Egypt;
- (ii) are able to offer a substantial amount of airline related business to EAS;
- (iii) are financially capable of fulfilling the obligations arising from the possession of the Shareholding

Moreover, the sale of the Shareholding to third parties must not cause a modification of the ownership structure, so that the 65% of EAS's capital must currently be held by Egyptian companies and the other 35% by foreign companies.

Pursuant art. 9, paragraph c) of EAS by-laws, the completion of the sale of the Shareholding is also subject to the approval of the Board of Directors of EAS, to which Alitalia will submit the bids received by interested parties.

3. TERMS AND CONDITIONS FOR PARTICIPATION TO THE SALE 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 in EAS (plus any additional tax as per applicable laws) must be higher than US\$ 500.000,00 (fivehundredthousand/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.

Subjects that intend to submit offers must indicate in the purchase offer that all the elements useful for verifying the identity of the subject or of the subjects who actually hold control of the bidding company.

Subject to the penalty of exclusion, the binding offers must provide for a guarantee in favour of Alitalia for an amount equal to 10% of the offered price. The guarantee may be enforced, also as liquidated damages, in the event of a 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 favour of Alitalia. 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 the March 30th 2019;

- b) one or more non-transferable bank drafts ("*assegni circolari*") issued by an Italian or foreign bank in favour of Alitalia Linee Aeree Italiane S.p.A. in a.s.

Such guarantees will be returned to the awarded offeror, at the time Alitalia 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 (ten-thousand/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 18.00 pm (noon Italian time) on October 3rd 2018 , in a closed envelope, to the main office of Italian Public Notary studio del Notaio 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 S.p.A. in A.S. in EAS -Offer- - 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 (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 11.00 (Italian time) on October 4th 2018, at the presence of the Extraordinary Commissioners (or a person delegated by them), and of the Italian Public Notary, at the office Notaio Monica Giannotti, Viale Liegi n.52, (00198) Rome (Italy). No more than two (2) representatives for each offeror may attend the public meeting, provided that the names of such representatives are communicated to the following address villani.alessia@amministrazionestraordinaria.it. The Italian Public Notary will prepare a written report of the receipt and the opening of the envelopes.

In the event of submission of valid offers higher than the Purchase Offer and after positive evaluation of the best offer received, according to the unquestionable judgment of the Extraordinary Commissioners, a call for bids will be subsequently made, during a specific public session, which will be specifically held at the Notary office of Notaio Monica Giannotti, Viale Liegi n.52, (00198) Rome (Italy) and of which the date will be communicated to the offerors. At the above mentioned session, which will be held within 30 days of the opening of the envelopes, will be present The Extraordinary Commissioners (or a person delegated by them), and the Italian Public Notary and may participate no more than two representatives for each offeror, provided that the names of such representatives are communicated by and no later than 12:00 (noon Italian time) of the day before the public session to the following address villani.alessia@alitaliaamministrazionestraordinaria.it.

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 only after the issuance of the relevant written communication and the adjudication is to be considered provisional and conditional to the favourable opinion of the Supervisory Committee and to the authorization of the Ministry of Economic Development.

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 and therefore the acceptance by Alitalia 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 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 sale of the Shareholding shall take place through execution of the relevant sale and purchase agreement, which shall be drafted by Alitalia, following completion of all the procedures described above, on the date and place which shall be communicated to the awarded party by Alitalia, in

compliance with terms provided by the Statute of EAS, prior authorization of the Ministry and subject to approval by the administrative body of EAS, to which Alitalia will submit the offers received.

The price must be fully paid by the purchaser to Alitalia 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.

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 September 24th 2018, via e-mail only, to the following address villani.alessia@alitaliaamministrazionestraordinaria.it, indicating in the subject matter: "*clarifications on the sale procedure of EAS 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 September 28th 2018, 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, 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.

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 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, 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 EAS's Shareholding, economic and income conditions of Alitalia 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 and EU Regulation n. 679/2016. 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 Offerors; 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 pursuant Decree No. 196 of 30th June 2003 and EU Regulation n. 679/2016.

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, 3rd September 2018

The Extraordinary Commissioners

Prof. Avv. Stefano Ambrosini

Prof. Avv. Gianluca Brancadoro

Prof. Dott. Giovanni Fiori