

Call for expressions of interest for the purchase of businesses owned by Sanac S.p.A. in Extraordinary Administration

1. INTRODUCTION

- 1.1. Sanac S.p.A. (hereinafter "**Sanac**" or "**Company**") is a company engaged in the extraction, production and marketing of raw materials and refractory materials. 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 on 18 February 2004, (hereinafter "**D.L. 347/2003**").
- 1.2. By decree of the Ministry of Economic Development of 20 February 2015, Sanac - 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 Gnudi and Mr. Enrico Laghi (hereinafter the "**Official Receivers**") were appointed as official receivers of the Company.
- 1.3. On 5 January 2016, the Official Receivers published the notice "Invito a manifestare interesse in relazione all'operazione di trasferimento dei complessi aziendali facenti capo ad Ilva S.p.A. in Amministrazione Straordinaria e ad altre società del medesimo gruppo" (hereinafter the "**Notice of 05.01.2016**"). Following the expression of interest under the Notice of 05.01.2016, the Official Receivers consider it appropriate to carry out a procedure specifically designed to transfer the business of Sanac to third parties (hereinafter the "**Procedure**").
- 1.4. In accordance with the above-mentioned purposes, the Official Receivers invite anyone who is interested to purchase the businesses owned by the Company to submit expressions of interest in accordance with procedures, terms and conditions of this Call.

2. OBJECT OF THE PROCEDURE

- 2.1. The Procedure is designed to identify a third party in order to initiate a transaction involving the cession of businesses owned by the Company, made by all the goods, relations, licenses, authorizations, certifications and any other good, service or asset, functional to the Company business activity.

3. PROCEDURES AND DEADLINE FOR SUBMITTING THE EXPRESSIONS OF INTEREST TO PARTICIPATE IN THE PROCEDURE

- 3.1. Expressions of interest to participate in the Procedure must be received no later than 6 pm (CEST) of 30 June 2017, in a sealed envelope bearing the wording "**Expression of interest - Project Stone**" on the outer envelope, and details of the sender, at the office of Notary Carlo Marchetti (Studio associato fra i Notai Carlo Marchetti, Renata Marella, Carlotta Dorina Stella Marchetti e Andrea De Coste), Via Agnello, 18 - 20121 Milan. The Notary receipt protocol shall attest the date and time of receipt.

4. ELIGIBLE PARTIES

- 4.1. The expressions of interest to participate in the Procedure 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. In the course of the Procedure, the eligible parties may set up and/or modify the Consortia - including by joining other parties that have not expressed an interest under this Call - according to terms and conditions that will be notified at a later stage in the Procedure.
- 4.2. The participation to any other procedures and/or transactions related to businesses of the Notice of 05.01.2016 does not preclude the participation to this Call. The parties who expressed interest in the Notice of 05.01.2016 and intend to participate in the Procedure will have to express interest again, according to procedures and terms of this Call.
- 4.3. In no case shall applications to participate in the Procedure 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.
- 4.4. Likewise, any expressions of interest 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 applying for participation in the Procedure or the Consortium members are not clearly identifiable, shall not be taken into consideration.
- 4.5. The absence of any reasons for exclusion from the Procedure referred to in paragraph 4.3 shall have to be attested by the applicant entity through a statement in lieu of certification made in accordance with the provisions of Decree of the President of the Republic no. 445 of 28 December 2000. The Official Receivers reserve the right to carry out any appropriate check to verify the truthfulness of the statements made and to request any additional documentation as may be useful and/or necessary to support the statements made.

5. CONTENT OF THE EXPRESSION OF INTEREST

- 5.1. The expressions of interest must include:
 - (a) the essential information needed to fully identify the person concerned (if a company: company name, registered office, tax code and VAT number, or other identification required by the law of the home State; if a sole proprietorship: first name, last name, tax code and VAT number, or other identification required by the law of the home State);
 - (b) indication of the addresses at which the applicant intends to receive any notification relating to the Procedure, including an e-mail and fax address;
 - (c) the statement of the interested party referred to in paragraph 4.5.
- 5.2. The expression of interest must also be accompanied by:
 - (a) a copy of this Call initialled on each page and signed at the bottom by the party expressing interest (for undertakings in the form of company, by their legal representative or by a person with the necessary powers to validly engage the interested party), as full and unconditional acceptance of all the terms and conditions stated therein;
 - (b) in the case of undertakings in the form of company, documentation proving the signatory powers of the person who signs the expression of interest, a copy of a chamber of commerce historical file search (or equivalent document) dated no more than seven (7) days prior to the date of the expression of interest, a copy of the by-laws in force and a copy of the last three approved statutory and, (if any) consolidated financial statements;
 - (c) in the case of undertakings in the form of sole proprietorship, a copy of the last three annual VAT returns submitted;
 - (d) any document considered useful to provide evidence of the activity carried out by the applicant and its ability to: ensure continuity of the production operations of the businesses involved in the Procedure, including the guarantee of adequate employment levels.
- 5.3. The applicants who already expressed interests in the Notice of 05.01.2016 may omit the attachment of documents referred to in paragraph 5.2 if they were already made according to the Notice of 05.01.2016 and do not need any update.
- 5.4. The expression of interest and all the documentation annexed thereto must be drawn up in Italian. If the expression of interest and/or the documents are written in a language other than Italian, they must be accompanied by a sworn translation thereof.

6. SUBSEQUENT STAGES OF THE PROCEDURE

- 6.1. The Procedure shall involve the steps briefly outlined below:
 - (a) analysis by the Official Receivers of the expression of interest received no later than the deadline referred to in paragraph 3 and selection of the parties admitted to the following steps of the Procedure;
 - (b) admission of the selected parties to the due diligence phase, subject to prior signing of the necessary confidentiality commitments;
 - (c) the entities admitted shall receive a special procedure letter (hereinafter, the "**Procedure Letter**"), which shall regulate:
 - (i) the length of the due diligence phase;
 - (ii) terms and procedures of the binding offers to be submitted;
 - (iii) procedures for one or more additional bidding phases, to which all or some of the tenderers may be invited to participate;
 - (d) award of the Procedure on the basis of the best binding offer received and signing of the contractual documents of the cession, subject to obtaining all necessary authorizations for this purpose pursuant to Decree Law 347/2003 or any other applicable law.
- 6.2. In no case the Official Receivers reserve the right to modify the subsequent stages of the Procedure, subject to compliance with the principles of equal treatment, transparency and non-discrimination.

7. REQUESTS FOR CLARIFICATION

- 7.1. If the interested parties need clarification and/or information in relation to this Call, they may request them by sending a notice in Italian to the financial advisor of the Official Receivers, Rothschild S.p.A., exclusively by e-mail at the following address: ProjectStone2017@Rothschild.com, indicating "**Project Stone**" in the subject.

8. ADDITIONAL PROVISIONS

- 8.1. The publication of this Call, the receipt of the expressions of interest and of binding offers by the Official Receivers do not entail any obligation or commitment of the Official Receivers to give effect to the Procedure or the cession of businesses of Sanac to the applicants and/or bidders nor, for the latter, any right to receive any benefit from the Official Receivers.
- 8.2. 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, 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.
- 8.3. 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 favour of the Official Receivers.
- 8.4. 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.
- 8.5. 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.
- 8.6. 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 Sanac, in the person of the Official Receivers (or person delegated by them).
- 8.7. This Call and the provisions herein shall be governed by Italian law and shall be subject to Italian jurisdiction.
- 8.8. This Call has been published at the following addresses www.gruppoilva.com, www.gruppoilvainas.it e www.sanac.com, in Italian and English, it being understood that only the Italian text shall have legal effect.

Rome, May 19th, 2017

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