

Shareholders' Agreement notification pursuant to Article 122 of Legislative Decree dated February 24th 1998, no. 58, as subsequently amended and integrated ("TUF") – Essential Information (*Informazioni Essenziali*) pursuant to Article 130 of the Regulation adopted by Consob with resolution no. 11971 dated May 14th 1999, as subsequently amended and integrated (the "Regulation").

Recordati S.p.A.

Pursuant to art. 122 TUF and art. 130 of the Regulation the following is disclosed, in so far as may be necessary.

Recitals

On 29 June 2018, Rossini Luxembourg S.à r.l., a company incorporated under Luxembourg law, with registered office in Luxembourg (Grand Duchy of Luxembourg), 20 avenue Monterey, L-2163, registered with the *Registre de Commerce et des Sociétés* of Luxembourg under number B 224498 (hereinafter, "**Rossini Luxembourg**"), has entered into a sale and purchase agreement (the "**Agreement**") for the acquisition, by itself or by a company controlled by itself (hereinafter, the "**Purchaser**"), of the entire share capital of FIMEI S.p.A., with registered office in Milan, via Rembrandt 22, registered with the Companies' Register of Milan (*Registro delle Imprese di Milano*) under no. 01001630159 (hereinafter, "**FIMEI**"), which as of today holds no. 108.308.905 ordinary shares of Recordati S.p.A., with registered office in Milan, via M. Civitali 1, registered with the Companies' Register of Milan (*Registro delle Imprese di Milano*) under no. 00748210150 (hereinafter, "**Recordati**").

The sellers of shares representing the entire share capital of FIMEI are: Arrigo Recordati Società Semplice, Cristina Maria Recordati, Hillary Mary Merkus Recordati, Andrea Recordati, Alberto Giuseppe Maria Recordati, Gaia Bruna Patrizia Recordati, Lavinia Eugenia Cristina Recordati (jointly, the "**Sellers**").

Completion of the sale and purchase of FIMEI shares under the Agreement (the "**Closing**") is subject to the fulfilment, or waiver by the Purchaser, of the condition precedent consisting in the obtainment of the necessary Antitrust clearances within 7 months from the signing date of the Agreement (the "**Condition Precedent**").

Upon Closing, the Purchaser shall launch a tender offer in relation to all outstanding Recordati shares pursuant to artt. 102 and 106 TUF.

The Agreement includes, *inter alia*, certain provisions which are functional to the performance of the transaction regulated under the Agreement itself, and which may be considered as covenants

qualifying as shareholders' agreements, and, as such, be subject to the relevant publicity formalities. Below are provided the Essential Information (*Informazioni Essenziali*) relating to such provisions.

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1. Companies whose securities are covered by the covenants qualifying as shareholders' agreements

Covenants which may qualify as shareholders' agreements are set out in respect of:

- FIMEI S.p.A., with registered office in Milan, via Rembrandt 22, registered with the Companies' Register of Milan (*Registro delle Imprese di Milano*) under no. 01001630159, Tax Code 01001630159, VAT Code 10042010156; and
- Recordati S.p.A., with registered office in Milan, via M. Civitali 1, registered with the Companies' Register of Milan (*Registro delle Imprese di Milano*) under no. 00748210150, Tax and VAT Code 00748210150.

2. Securities covered by the covenants qualifying as shareholders' agreements

Covenants under the Agreement and described hereunder are set out in respect of:

- all the ordinary shares of FIMEI held by the Sellers, equal to no. 10,000,000 FIMEI ordinary shares, representing 100% of FIMEI's share capital;
- all the ordinary shares of Recordati held by FIMEI, equal to no. 108,308,905 ordinary shares of Recordati, representing approximately 51,791% of Recordati's subscribed share capital.

3. Parties to the covenants qualifying as shareholders' agreements

Arrigo Recordati Società Semplice holds the full ownership of 3,600,000 FIMEI's ordinary shares, representing 36% of the share capital of FIMEI.

Cristina Maria Recordati holds the full ownership of 1,600.000 FIMEI's ordinary shares, representing 16% of the share capital of FIMEI.

Hillary Mary Merkus Recordati holds the full ownership of 1,600.000 FIMEI's ordinary shares, representing 16% of the share capital of FIMEI.

Andrea Recordati holds the full ownership of 1,600.000 FIMEI's ordinary shares, representing 16% of the share capital of FIMEI.

Alberto Giuseppe Maria Recordati holds a right of usufruct upon 1,600,000 FIMEI's ordinary shares, representing 16% of the share capital of FIMEI.

Gaia Bruna Patrizia Recordati holds the bare ownership of 800,000 FIMEI's ordinary shares, representing 8% of the share capital of FIMEI.

Lavinia Eugenia Cristina Recordati holds the bare ownership of 800,000 FIMEI's ordinary shares, representing 8% of the share capital of FIMEI.

Rossini Luxembourg does not currently hold any equity interest in FIMEI and in Recordati.

Until Closing, control over Recordati pursuant to Article 93 TUF will continue to be exercised by FIMEI.

Following the completion of the Transaction envisaged under the Agreement, the control of Recordati will be held, pursuant to Article 93 TUF, by CVC Capital Partners VII Limited, a company incorporated under the laws of Jersey, registration number 122497, with registered office at 1, Waverley Place, Union Street, St. Helier, Jersey JE1 1SG.

4. Scope of the covenants qualifying as shareholders' agreements

4.1) Provisions relating to the so called 'Interim Period'

As customary for this kind of transactions, the Agreement includes provisions relating to the so called interim management. In particular, by virtue of these provisions, between the signing date of the Agreement and the Closing, the Sellers undertakook to cause: (a) FIMEI not to propose, nor to vote in favor of, any resolution in Recordati shareholders' meetings relating to the matters listed below; and (b) the Sellers who are members of the board of directors of Recordati (*i.e.* Andrea Recordati and Alberto Giuseppe Maria Recordati) not to propose nor to vote in favor of any resolution of the board of directors of Recordati relating to the following matters:

- (i) the sale of any participations in material subsidiaries and/or of any material business ("*azienda*") or line of business ("*ramo d'azienda*");
- (ii) the acquisition of any company and/or business ("*azienda*") or line of business ("*ramo d'azienda*") exceeding certain amounts and/or enterprise values;
- (iii) the conversion ("*trasformazione*"), merger, demerger or other business combinations;
- (iv) any issuance of stock, bonds or other corporate securities (if convertible into stocks) or granting of any option or issuing of any warrant to purchase or subscribe for any of such securities or issuing any securities convertible into such securities or any other action or measure which would result in a dilution of FIMEI's participation in Recordati, other than the granting of options up to 5,000,000 (five million) Recordati shares in

connection with the stock option plans approved by Recordati's shareholders' meeting held on 17 April 2014 and 18 April 2018

- (v) material amendment to the by-laws of Recordati;
- (vi) any material changes to the economic terms of executives ("*dirigenti*") not required by any applicable laws;
- (vii) the incurrence of any indebtedness for borrowed money - outside the ordinary course of business - other than for the purpose of financing the acquisitions within the limits provided for by point (ii) above.

The Sellers also undertook to procure that FIMEI, during the period between the signing date of the Agreement and the Closing, conducts its activities and operations in their ordinary course (as better specified in the Agreement).

4.2) Provisions relating to the board of directors and the shareholders' meeting

Subject to the fulfilment, or waiver by Rossini Luxembourg, of the Condition Precedent:

A) with reference to FIMEI:

- (i) at Closing, the Sellers shall deliver the letters of resignation of all members in office of the board of directors (*consiglio di amministrazione*) of FIMEI effective as of the Closing date;
- (ii) at Closing, the Sellers shall deliver to Rossini Luxembourg the letters of resignation of the members in office (actual and alternate) of the board of statutory auditors (*collegio sindacale*) of FIMEI who spontaneously decide to resign, effective as of the Closing date;
- (iii) the Sellers shall cause an ordinary shareholders' meeting of FIMEI to be validly convened and held on the Closing date for the purpose of approving (x) the appointment of the new members of the board of directors and, should it be the case, of the board of statutory auditors and (y) the discharge of responsibility of the directors and of the auditors who have resigned.
- (iv) at the Closing date Rossini Luxembourg shall cause the shareholders' meeting of FIMEI to resolve upon (x) the appointment of the new members of the board of directors and should it be the case of the board of statutory auditors and (y) the discharge of responsibility of the directors and of the auditors who have resigned.

B) with reference to Recordati:

- (i) Alberto Giuseppe Maria Recordati shall resign as member of the board of directors (*consiglio di amministrazione*) effective as of the Closing date;
- (ii) the Sellers shall use their reasonable efforts to cause the resignation, effective as of the Closing date, of 2 (two) further members of the board of directors (*consiglio di*

amministrazione) of Recordati (other than Andrea Recordati and Fritz Squindo). Should Alberto Giuseppe Maria Recordati, Andrea Recordati and/or Fritz Squindo being replaced prior to the Closing date, the Sellers shall cause the resignation of their substitutes, effective as of the Closing date.

- (iii) the Sellers shall use their reasonable efforts to cause a meeting of Recordati's board of directors (*consiglio di amministrazione*) to be validly held on the Closing date for the purpose of resolving upon the (x) replacement of the directors who have resigned pursuant previous Points 4.2) B)(i) and 4.2) B)(ii); or (y) should for any reason the board of directors not proceed to such replacement, the convening of a shareholders' meeting of Recordati as soon as possible following the Closing date to resolve upon the appointment of a new board of directors of Recordati;
- (iv) the Sellers shall use their reasonable efforts to deliver the letters of resignation, effective as of the first shareholders' meeting of Recordati following the Closing date, of the majority of the board members (or at least 2 (two) members in addition to those who resigned pursuant previous points 4.2) B)(i) and 4.2) B)(ii)), so that such shareholders' meeting will be able to replace the directors pursuant to article 2386, paragraph 2, of the Civil Code.

4.3) Provisions regarding restrictions to the transfer of FIMEI shares

Sellers have undertaken, as soon as reasonably possible after the signing date of the Agreement, to amend the by-laws of FIMEI so to issue the certificates representing the shares of FIMEI and to deposit the afore mentioned shares with a fiduciary company pursuant to article 1773 of the Italian Civil Code (also in the interest of the Purchasers) until the twentieth business day after the earlier of (i) the date on which the Condition Precedent is satisfied or waived by the Purchaser, and (ii) the day falling seven months after the date of signing the Agreement.

4.4) Provisions regarding the mandatory tender offer on Recordati shares and any subsequent tender offer

(i) Subject to completion of the Closing, the Purchaser shall launch a mandatory tender offer over the entire outstanding capital (the "**Mandatory Tender Offer**" or "**MTO**"), addressed to the minority shareholders of Recordati.

Pursuant to the Agreement, the Purchaser shall launch the MTO at a price per Recordati share equal to the "See-Trough Purchase Price per Recordati Share" (i.e. Euro 28 per share minus the amount per share of any dividends or reserves that were distributed by Recordati after the date of execution of the Agreement and prior to the Closing), which shall be paid in full on the payment date of the consideration of the offer and that therefore implies an economic value higher than the price per

share Recordati payable to the Sellers, which provides for a portion to be paid at the closing date and another part to be paid in deferred terms through subordinated debt instruments.

The obligation of the Purchaser to launch the MTO at the conditions indicated in the paragraph above is subject to the non-occurrence prior to the Closing of a “significant market correction”, defined as a decrease of at least the 20% between the value of the FTSE MIB Index (to be calculated without considering the Recordati stock) calculated on the 28 June 2018 and the value of the FTSE MIB Index (to be calculated without considering the Recordati Stock) calculated on the third business day before the Closing date. Should such “significant market correction” occur, the Purchaser intends to align the Recordati share price to be offered to the minority shareholders of Recordati in the context of the MTO at the discounted value of the Recordati share price due to Sellers, a part of which to be paid at Closing and the other part to be paid in deferred terms through subordinated debt instruments. Such price shall be determined by the Purchaser, under its own responsibility, in full compliance with the relevant provisions of the TUF and the Issuers Regulation.

(ii) Any increase of the price per Recordati share offered in the context of the MTO or of any subsequent public offers launched after the end of the MTO by the Purchaser on the Recordati shares until the expiry of the first anniversary of the last payment date of the MTO, above the “See-Trough Purchase Price per Recordati Share” (i.e. Euro 28 per share minus the amount per share of any dividends or reserves that were distributed by Recordati after the date of execution of the Agreement and prior to the Closing) shall be automatically granted to the Sellers, who will be entitled to receive an amount equal to the amount per share of such increase multiplied by the number of shares sold by the Sellers to the Purchaser under the Agreement. This obligation of the Purchaser shall not apply to any subsequent public offer launched by the Purchaser from the expiry of the sixth month following the last payment date of the MTO until the first anniversary of the last payment date of the MTO, if in the context of these public tender offers the Purchaser does not purchase more than ten million Recordati shares at an average price for each Recordati share exceeding no more than 5% the “See-Trough Purchase Price per Recordati Share” (i.e. Euro 28 per share minus the amount per share of any dividends or reserves that were distributed by Recordati after the date of execution of the Agreement and prior to the Closing).

In the event of Purchaser’s breach of its obligations under this Section 4.4 (as well as in case of breach or failure to the obligation to execute the Closing), the Purchaser shall pay the Sellers a penalty pursuant to article 1382 of the Italian Civil Code for early-termination of the Agreement, for a total amount of Euro 100 million.

5. Term and renewal of the covenants qualifying as shareholders’ agreements

The Agreement is not intended to be a shareholders' agreement, it being a stock purchase agreement which, nonetheless, provides for certain covenants, functional to the performance of the acquisition, which may qualify as shareholders' agreements.

Covenants under item 4.1) are effective from the signing date of the Agreement, i.e. June 29th 2018, while the covenants under item 4.2) will become effective starting from the date of fulfilment, or waiver by the Purchaser, of the Condition Precedent.

Effectiveness of all the above mentioned covenants, is intended to cease as a result of their fulfilment.

The Agreement (including the above mentioned covenants) will definitely cease to be effective in the event of non-fulfilment, or non-waiver by the Purchaser, of the Condition Precedent within a seven months' period from the signing date of the Agreement.

No renewal clauses of the covenants described above are provided for.

6. Right of withdrawal

The Purchaser is entitled to withdraw from the Agreement in case any of the transactions under items 4.1(i) to 4.1(vii) above is carried out in the period between the signing date of the Agreement and the Closing.

The Sellers will be entitled to withdraw from the Agreement in case (i) they disclose to the Purchaser any facts or circumstances occurred between the signing date of the Agreement and the Closing and (ii) the Purchaser does not accept such disclosure being a limitation to the representations and warranties given by the Sellers in favour of the Purchaser under the Agreement.

7. Type of agreement

The covenants included in the Agreement described in the preceding paragraphs may qualify as covenants relating to the exercise of voting rights in a listed company and as covenants providing for limitations to the transfer of related shares, pursuant to Article 122, paragraphs 1 and 5 letter b), TUF.

8. Filing of the covenants qualifying as shareholders' agreements

The Covenants set out in the Agreement described in preceding paragraphs have been filed with the Milan Companies Register (*Ufficio del Registro delle Imprese di Milano*) on July 4th 2018.

9. Ulteriori informazioni

The Agreement do not provide for the establishment of any corporate body in respect of the shareholders' agreement.

The Agreement does not provide for any obligation to deposit Recordati shares.

This Essential Information document is available on the website www.recordati.it.

July 4th 2018