

**Shareholders' Agreement notification pursuant to Article 122 of Legislative Decree dated February 24<sup>th</sup> 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 14<sup>th</sup> 1999, as subsequently amended and integrated (the "Regulation").**

**Recordati S.p.A.**

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

**Recitals**

On June 29<sup>th</sup> 2018, Rossini Holdings S.à.r.l. ("**Rossini Holdings**") executed two investment agreements with Andrea Recordati. On December 6<sup>th</sup> 2018, in the context of the completion of the acquisition (through the subsidiary Rossini Investimenti S.p.A.) by Rossini Luxembourg S.à.r.l. ("**Rossini Luxembourg**" or the "**Company**") of the shares representing the entire share capital of FIMEI S.p.A. ("**FIMEI**"), which holds ordinary shares representing 51.791% of the subscribed share capital of Recordati S.p.A. ("**Recordati**"), Rossini Holdings and Andrea Recordati entered into an agreement in order to partially amend the above-mentioned agreements (such agreements, as amended on December 6<sup>th</sup> 2018, are hereinafter referred to as the "**AR Agreements**"). Moreover, on February 14<sup>th</sup> 2019, (i) Mr. Andrea Recordati subscribed for No. 6,350,000 ordinary shares and No. 1,150,000 preference shares (the ordinary and preference shares, the "**Shares**") of Rossini Luxembourg; (ii) Mr. Andrea Recordati transferred these Shares to his controlled company Indio s.s., with registered office in Milan, via Paolo Andreani 4, fiscal code 97832790154 ("**Indio**"); (iii) through the signing of certain adhesion agreements with Andrea Recordati, Rossini Luxembourg and Rossini Holdings S.à.r.l. (the "**Indio Adhesion Agreements**"), Indio has adhered to the AR Agreements, taking upon itself the rights and obligations arising from the AR Investment Agreements held by Andrea Recordati, who in any case remained a party to those agreements; and (iv) the Shares are held by Cordusio Società Fiduciaria per Azioni, a company subject to the management and coordination of Unicredit S.p.A., with registered office in Milan, via Borromei n.5, registered at No. 863916 with the Companies Register of Milan ("**Cordusio**"), in its capacity as fiduciary company (*società fiduciaria*) appointed by Indio, which has given Cordusio irrevocable instructions, as they are also conferred in the interest of Rossini Luxembourg and Rossini Holdings, to comply with the provisions of the AR Agreements and the By-laws of Rossini Luxembourg. On June 29<sup>th</sup> 2018, Rossini Holdings also executed an investment agreement with Fritz Squindo. On December 6<sup>th</sup> 2018, in the context of the

completion of the acquisition (through the subsidiary Rossini Investimenti S.p.A.) by Rossini Luxembourg of the shares representing the entire share capital of FIMEI, Rossini Holdings and Fritz Squindo entered into an agreement in order to partially amend the above-mentioned agreement (such agreement, as amended on December 6<sup>th</sup> 2018, is hereinafter referred to as the “**FS Agreement**” and, together with the AR Agreements and Indio Adhesion Agreements, the “**Agreements**”). On February 14<sup>th</sup> 2019, the Rossini Luxembourg shares subject to the FS Agreement have been subscribed by Cordusio on behalf of Mr Fritz Squindo, who granted Cordusio irrevocable instructions, as they were also granted in the interest of Rossini Luxembourg and Rossini Holdings, to comply with the provisions of the FS Agreement and the By-laws of Rossini Luxembourg.

The Agreements regulate the terms and conditions of the investment by Andrea Recordati and Fritz Squindo in Rossini Luxembourg. The Agreements were executed also by Rossini Luxembourg for acknowledgment purposes. The Agreements include, amongst others, certain covenants (the “**Agreements’ Covenants**”) aimed at the execution of the transaction regulated by the same Agreements, that may qualify as shareholders’ agreements and as such are subject to the fulfilment of related publicity formalities.

In the context of the completion of the acquisition (through the subsidiary Rossini Investimenti S.p.A.) by Rossini Luxembourg, of the shares representing the entire share capital of FIMEI, a new By-laws of Rossini Luxembourg (the “**By-laws**”) has been adopted that includes, *inter alia*, certain provisions relating to the transfer of shares of Rossini Luxembourg and to certain strengthened quorums required at the shareholders’ meeting level (the “**By-laws Provisions**” and, together with the Agreements’ Covenants, the “**Covenants**”), which may be deemed as shareholders’ agreements for the purposes of complying with the relevant publicity formalities.

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## **1. Companies whose securities are covered by the Covenants**

The Agreements’ Covenants are set out in respect of:

- directly, Rossini Luxembourg S.à.r.l., a company incorporated under the laws of Luxembourg, having its registered office at 20 avenue Monterey, L-2163 Luxembourg, Grand Duchy of Luxembourg, registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés, Luxembourg*) under number B 224498; and

- indirectly, Recordati S.p.A., with registered office at via M. Civitali 1, 20148 Milan (Italy), registered in the Milan Companies Register (*Registro delle Imprese di Milano*) with number 00748210150, tax code and VAT number 00748210150.

The By-laws Provisions are set out in respect of Rossini Luxembourg, as identified above.

## **2. Securities covered by the Covenants**

The Agreements' Covenants are set out in respect of:

- directly, all the shares held by Rossini Holdings in Rossini Luxembourg, representing as of the date hereof the entire share capital of Rossini Luxembourg; and

- indirectly, all the ordinary shares of Recordati owned by FIMEI, equal to no. 108,308,905 ordinary shares of Recordati, representing approximately 51.791% of the subscribed share capital of Recordati.

The By-laws Provisions are set out in respect of all the shares of Rossini Luxembourg.

## **3. Parties to the Covenants**

Parties to the Agreements' Covenants set out under the AR Agreements are:

Rossini Holdings S.àr.l., a company incorporated under the laws of Luxembourg, having its registered Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés, Luxembourg*) under number B 224480;

Andrea Recordati, Italian and British citizen, tax code RCR NDR 71S06 Z114F;

Indio s.s., with registered office in Milan, via Paolo Andreani 4, fiscal code 97832790154; and, limited to the purpose of acknowledging the provisions of the AR Agreements;

Rossini Luxembourg S.àr.l., a company incorporated under the laws of Luxembourg, having its registered office at 20 avenue Monterey, L-2163 Luxembourg, Grand Duchy of Luxembourg, registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés, Luxembourg*) under number B 224498.

Parties to the Agreements' Covenants set out in the FS Agreement are:

Rossini Holdings S.à.r.l., a company incorporated under the laws of Luxembourg, having its registered office at 20 avenue Monterey, L-2163 Luxembourg, Grand Duchy of Luxembourg, registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés, Luxembourg*) under number B 224480;

Fritz Squindo, Italian citizen, tax code SQNFTZ56E19E168P; and, limited to the purpose of acknowledging the provisions of the FS Agreement,

Rossini Luxembourg S.à.r.l., a company incorporated under the laws of Luxembourg, having its registered office at 20 avenue Monterey, L-2163 Luxembourg, Grand Duchy of Luxembourg, registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés, Luxembourg*) under number B 224498.

The By-laws Provisions are binding for any current or future shareholder of Rossini Luxembourg.

#### **4. Scope of the Covenants**

##### **4.1) Provisions relating to the management body of Recordati**

It is provided under the AR Agreements that for so long as Rossini Holdings controls Recordati, Andrea Recordati shall continue to hold the office as non-executive director of Recordati also in the event of cessation for any reason whatsoever from the office as CEO of Recordati, unless such office is terminated upon the occurrence of so called ‘bad leaver’ events.

##### **4.2) Provisions prohibiting the purchase of Recordati shares**

Under the Agreements, Andrea Recordati (and, as a result of the execution of the Indio Adhesion Agreements, Indio) and Fritz Squindo have undertaken towards Rossini Holdings, for the period between June 29<sup>th</sup> 2018 and the end of the sixth month following the settlement date of the Mandatory Tender Offer (i.e. the mandatory tender offer to be launched upon completion of the acquisition of FIMEI by Rossini Luxembourg), not to purchase any Recordati shares except for, among other, the Purchase of Recordati shares carried out in the exercise of the stock options granted to Andrea Recordati and Fritz Squindo by Recordati different from those granted pursuant to the Stock Option Plan 2018-2022 with strike price of Euro 30.73.

#### **4.3) Provisions concerning the exercise of voting rights in the shareholders' meeting of Rossini Luxembourg**

It is provided under the Agreements that Rossini Holdings shall procure that, unless passed with the favorable vote of 75% of the holders of preferred shares issued by Rossini Luxembourg (among which holders are Indio and Fritz Squindo), no resolutions limiting the powers, privileges or rights attached to such preferred shares, no resolutions increasing the number of authorized preferred shares, no resolutions concerning the winding-up of the company, are adopted by Rossini Luxembourg. The Agreements do not provide for any provision concerning the exercise of voting rights in the shareholders' meeting of Rossini Luxembourg which are set out in favour of or against, respectively, Andrea Recordati (and Indio) and Fritz Squindo.

The above-mentioned Agreements' Covenants are also included into the By-laws.

#### **4.4) Provisions concerning the transfer of shares of Rossini Luxembourg**

The By-laws provides that the shares of Rossini Luxembourg may be transferred *inter vivos* only (i) to Rossini Holdings or its affiliates; (ii) following the exercise of the tag-along and drag-along rights provided for by the By-laws; and (iii) to related parties of the transferor (provided that the transferee, upon completion of the transfer, enters, by executing in writing, to any investment agreement or shareholders' agreement relating to the Company and/or its subsidiaries of which the transferor is a party). In this respect, the Agreements expressly provide, *inter alia*, that any related party of Andrea Recordati or Fritz Squindo shall, upon completion of the transfer, adhere in writing to, respectively, the AR Agreements and the FS Agreement.

In each of the above-mentioned cases, the prior authorization by the shareholders' meeting representing at least 50% of all outstanding shares will be required in order to proceed to a transfer in favour of a non-shareholder. In case the authorization is denied, the non-transferring shareholders may, within three months, purchase the shares of the transferor at a price equal to the lower between (i) the nominal value of the shares to be transferred/redeemed or (ii) the fair market value of the shares to be transferred.

Moreover, pursuant to the Indio Adhesion Agreements, Indio has undertaken towards Rossini Holdings and Rossini Luxembourg to transfer both the ordinary and preference shares in Rossini Luxembourg held by the same Indio to Andrea Recordati or a related party of his, should Indio in its turn cease to be a related party of Andrea Recordati.

The By-laws also provides, in the case of transfer of shares by Rossini Holdings, for a tag-along right in favor of the other shareholders of Rossini Luxembourg, as well as a drag-along right in favor of Rossini Holdings.

#### **4.5) Other provisions**

For sake of completeness, although such provisions are not relevant for the purposes of Article 122 TUF, it is worth pointing out that under the Agreements (i) Rossini Holdings is granted with a call option to purchase the shares held by Andrea Recordati (and/or Indio) and Fritz Squindo in Rossini Luxembourg in the event Andrea Recordati and Fritz Squindo cease to hold the office as, respectively, CEO and executive (*dirigente*) of Recordati; and (ii) Andrea Recordati (and/or Indio) and Fritz Squindo are granted with a put option to sell their shares held in Rossini Luxembourg in the event Andrea Recordati and Fritz Squindo cease to hold the office as, respectively, CEO and executive (*dirigente*) of Recordati as a consequence of the occurrence of so called *good leaver* events.

#### **5. Term and renewal of the Covenants**

Covenants under item 4.2) are effective starting from the date of execution of the Agreements through the end of the sixth month following the settlement date of the Mandatory Tender Offer (i.e. the mandatory tender offer to be launched upon completion of the acquisition of FIMEI by Rossini Luxembourg).

Covenants under items 4.1) and 4.3) are effective starting from the date of completion of the investment by Andrea Recordati (through Indio) and Fritz Squindo in Rossini Luxembourg, i.e. starting from February 14, 2019.

Covenants under 4.4) regulating the transfer of the shares of Rossini Luxembourg are effective for the entire duration of the Company.

No renewal clauses of the above-mentioned Covenants are provided for.

#### **6. Type of agreement**

The Covenants may be deemed as being related to covenants concerning the exercise of voting rights in a listed company and in a company controlling a listed company and to covenants limiting the transfer of shares of a company controlling a listed company or, however, may be deemed as shareholders' agreements, relevant for the purposes of Article 122, paragraphs 1 and 5, TUF.

## **7. Filing of the Covenants**

The AR Agreements, the FS Agreement and the By-laws of Rossini Luxembourg have been filed with the Companies Register of Milan on July 4<sup>th</sup> and December 11<sup>th</sup> 2018.

Indio Adhesion Agreements have been filed with the Companies Register of Milan on February 19<sup>th</sup> 2019.

## **8. Further information**

The Covenants do not provide for the establishment of any body of the shareholders' agreement

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This Essential Information document is available on the website [www.recordati.it](http://www.recordati.it).

February 19<sup>th</sup> 2019