

# **TENDER REGULATION FOR THE SALE OF BUSINESS OF ACC COMPRESSOR S.P.A. IN A.S.**

## **WHEREAS**

This document (hereinafter referred to as the "Tender Regulation") aims at providing the rules for the development of the sale procedure regarding the business of ACC Compressors S.p.A. in Amministrazione Straordinaria (Extraordinary Administration) (hereinafter "ACC"), a joint stock company, incorporated under Italian law, with registered office in Pordenone (Italy), at viale Lino Zanussi n. 11, admitted to the extraordinary administration procedure on 27.8.2013, pursuant to the Italian Legislative Decree of 8 July 1999, no. 270.

The sale of the above mentioned business, to be regarded as the entire business of ACC (hereinafter referred to as the "Business"), was expressly authorized by the Italian Ministero dello Sviluppo Economico (Ministry of the Economic Development, hereinafter "MISE" or "MED"), by the decree dated 5<sup>th</sup> february 2014, authorizing the Extraordinary Commissioner of ACC to start the plan for the sale of Business.

The so-called "preparatory phase" of the said sale procedure (hereinafter referred to as "Phase 1") has been dealt with exhaustively; the following statements deal with the further activities to be carried out and the results of such activities.

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### **Art.1 - PHASE 1: BEGINNING OF THE PROCEDURE, PUBLICATION OF THE CALL FOR EXPRESSIONS OF INTEREST**

In order to perform a survey on the market interest in purchasing the ACC Business, the Extraordinary Commissioner, dott. Maurizio Castro, duly authorized by MISE, published on the websites of ACC and of the Court of Pordenone, and also on the newspapers "Il Sole 24Ore" and "The Financial Times" on 29.11.2013, an invitation to express interest to the purchase of the Business (hereinafter referred to as "Invitation for expressions of interest" or "Invitation" only), with the confidential Information Memorandum, containing the terms and conditions of Invitation, published into the dedicated areas of the websites cited above.

The subjects that, after the publication of the Invitation, have expressed their interest, sending to ACC their expressions of interest were evaluated by the Extraordinary Commissioner.

Now therefore, in the following pages, the subsequent phases concerning the sale procedure of ACC Business and the compliance with all the commitments to be carried out for the purpose of a positive outcome of such procedure shall be examined in details.

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### **Art.2 - PHASE 2: PREPARATION OF THE VIRTUAL DATA ROOM**

After the examination of the expressions of interest received, the Extraordinary Commissioner sent a Letter of Procedure, already defined by the Invitation, to the admitted bidders, who delivered the expression of interest in compliance with what provided for by

the Invitation and the confidential Information Memorandum (hereinafter the "Admitted Bidders"), stating such admission and forwarding the following documents:

- (i) the Confidentiality Declaration;
- (ii) the Regulation regarding the access to the Data Room, the inspection of the documents contained therein ("Data Room Regulation") and the format for the formal request of access to the Data Room with specification of the consultants involved.

The Admitted Bidders had been required to properly read and fully and unconditionally accept the documents attached to the Letter of Procedure and the letter itself; such documents had to be initialed on each page and signed at the foot of the final page as acceptance by the legal representative of the interested party and they had to be returned, within the term of 10<sup>th</sup> February 2014 to ACC, to the kind attention of the Extraordinary Commissioner, by sending them by postal mail or courier, eventually disclosed in advance, within the said term, by electronic scan attached by e-mail, to the address already provided in the Invitation.

The Admitted Bidders have been required also to provide a list bearing the indication of the name and position (e.g. employee, legal counsel, financial consultant, etc.) of the persons responsible for accessing to the Data Room ("Work Team") and of the person designed as Work Team responsible ("Responsible person").

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### **Art.3 - PHASE 3: OPENING OF THE DATA ROOM AND PERFORMANCE OF THE DUE DILIGENCE**

The Admitted Bidders who have been compliant with all the requirements under phase 2 will be admitted to the virtual Data Room, which shall be held starting from 14<sup>th</sup> February 2014 at 12.00 a.m. CET. The access to the virtual Data Room and the performance of the due diligence shall terminate on 17<sup>th</sup> April 2014 at 12.00 a.m. CET.

In order to access to the virtual Data Room the Admitted Bidders, after completion of phase 2 and under evaluation of the Extraordinary Commissioner, will be supplied with usernames and password.

The dates scheduled for the access of each Work Team to the virtual Data Room shall be communicated to the Admitted Bidders who have regularly submitted the documents set out within the phase 2; the Admitted Bidders, who will deliver a specific request, may visit the sites until 18.4.2014, according to the necessity of production of ACC and under the terms and conditions to be agreed with the Extraordinary Commissioner.

All the information made available in the Data Room shall be independently verified by the Admitted Bidders.

During the activity of due diligence and until April 14, 2014 all the Admitted Bidders may forward in writing request for information, clarifications and/or further documents to the people appointed for that purpose by the Extraordinary Commissioner in accordance with the terms and conditions set out in the Data Room Regulation.

The Extraordinary Commissioner reserves the right to determine the timeline and the modalities to meet the potential requests for information strictly related and relevant to the bid, any clarification and/or further documents. General or exploratory enquiries shall not be taken into account.

Any request made during the activity of due diligence could be forwarded anonymously by the Extraordinary Commissioner to all the Admitted Bidders, where possible, together with the relevant answer, if any.

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#### **Art.4 - PHASE 4: BINDING OFFERS AND EVALUATION BY THE EXTRAORDINARY COMMISSIONER**

After the expiry of the deadline for the access to the virtual Data Room and the performance of the due diligence, the Admitted Bidders shall send their binding and definitive offers, which must be delivered and received - within the term of **18 April 2014 – by the Notary Public dott. Giorgio Gottardo in his office in Padova (Italy) Via N. Tommaseo 76/D**. The methods of delivery and the contact details shall be the following: the said offers, with all the relative annexes, shall be draft in English Language, initialed on each page and duly signed at the bottom by the legal representative, and delivered to the above mentioned Notary Public, to the kind attention of the Extraordinary Commissioner, Mr. Maurizio Castro, by sending them by registered postal mail, with return receipt, or courier, in either case in a sealed envelope, with the name of the bidder and the specification in the outer side of the envelope “Confidential – ACC binding offer”.

Such offers for the purchase of the Business, that will be binding and irrevocable until the termination of the sale procedure, should contain at the minimum the following data:

- 1) price offered for the purchase for the business of ACC;
- 2) confirmation of the Admitted Bidder that the business would be purchased by the Admitted Bidder itself or by a Newco fully owned by himself;
- 3) the business plan, containing the prospective purchaser’s industrial plan for the continuation of the business activities and the relevant investments involved on it and the financial plan, concerning the financial soundness of the prospective purchaser to perform the purchase and the industrial plan;
- 4) the expressed obligation of the prospective purchaser to continue the business activities and to maintain the employment levels established in the sale agreement for at least two calendars years since the date of the purchase;
- 5) declaration of any authorization, permit, consent, approval from any public or private author that would be necessary for the purchase of the business by the Admitted Bidder and the estimate timing for such authorization, permit, consent, approval;
- 6) preliminary analysis concerning the necessity of any antitrust approval for the purchase of the business of ACC, and description of antitrust authorities involved;
- 7) the expressed acceptance of the standard draft preliminary contract for the sale of the Business examined in the virtual Data Room, that must be initialized on each page and duly signed at the bottom, with the expressed acceptance of this Tender Regulation, that must be initialized on each page and duly signed at the bottom. Such acceptances should be provided by the named legal representative of the Admitted Bidder, having due powers still in force and not revoked at the relevant time;
- 8) the expressed obligation of the purchaser to accept the definitive contract for the sale of the Business that will not be in contrast with the preliminary contract for the sale of the Business (or, in alternative, the expressed acceptance of the definitive contract for the sale of the Business examined in virtual Data Room);
- 9) the expressed obligation of the prospective purchaser to pay, upon signing the preliminary contract of for the Sale of the Business, a down payment equal 15% of

the purchase price and to provide a bank or insurance guarantee, consistent with the obligations undertaken with the binding offer, concerning the payment of the balance of the purchase price and the obligation of the prospective purchaser to continue the business activities and to maintain the employment levels, as stated in the draft preliminary contract for the sale of Business.

A bank or insurance guarantee at first request, issued by a primary Italian or foreign leading bank or insurance company, to be appreciated by the Extraordinary Commissioner, in favour of ACC Compressors Spa in Amministrazione Straordinaria must be annexed to the Binding Offer for its validity. Such guarantee at first request must cover the fulfillment of the obligations of the Admitted Bidders stated in the binding offer (included the obligations to enter into the preliminary contract for the sale of the Business) for an amount of € 350.000,00 and to be valid until 31 December 2014. The Admitted Bidders undertake to renew such guarantee if the tender is not awarded before the term of 31 December 2014. The guarantee will be returned to the Admitted Bidders who will be not awarded as the winner of the tender and will be replaced by the winner, at the entering into the preliminary contract for the sale of the Business, with the bank or insurance guarantee described in the above mentioned point no.9.

It should be stated that the Extraordinary Commissioner reserves the right, in any phase of the procedure for the sale of the Business to suspend such procedure and: a) to admit any third party to the sale procedure, eventually including the phases already performed, by preliminary acceptance by the third party of the relevant tender documentations; b) modify the list of the assets constituting the business to be sold.

In accordance with Article 63 of the Legislative Decree 270/1999 the Extraordinary Commissioner, with the authorization of the MISE and the advice of the Supervisory Committee, reserves the right to evaluate the profitability of the offers submitted, taking into account, *“in addition to the value offered, the applicant's reliability and activity continuation plan, the guarantee of preservation of the employment level”*, the prospective purchaser's maintenance of the integrity and uniformity of the business sold and also the foreseen investments and the existing operational and commercial synergies.

It will be generally preferred the offer allowing the best balance between (I) industrial and employment prospects and (II) price offered for the purchase of the business.

Price offered for the purchase of the business of ACC will be compared with the value of the business resulting from the survey requested by the Extraordinary Commissioner pursuant to art. 62, subsection 3 of the Italian Legislative Decree of 8 July 1999, no. 270.

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#### **Art. 5 - PHASE 5: POTENTIAL PRICE INCREASES**

The Extraordinary Commissioner reserves the right, in any phase, to suspend the bid and start a potential Phase of price increase or improvement of any other condition for the offers (subject to prior appropriate notification to the interested parties), on the basis of the offers received by the Admitted Bidders or any other third party.

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**Art.6 - PHASE 6: TENDER AWARD - SIGNATURE OF THE SALE AGREEMENT OF THE BUSINESS – TERMINATION OF THE SALE PROCEDURE**

Once the Phase 4 (or Phase 5, if applicable) is completed, the Extraordinary Commissioner will evaluate the received offers and will submit the proposal for award to the MISE, who is responsible for any final decision on the sale of the business to be sold, pursuant to Article 42 of the Legislative Decree 270/1999, after hearing the opinion of the Monitoring Committee, and will notify to the winning bidder the tender award.

Once authorized by the Ministry, the Extraordinary Commissioner and the winning bidder shall initiate the formal trade-union consultation procedure provided for by Article 47 of Law 29.12.1990, no. 428 and sign the preliminary sale agreement for the business with the winning bidder.

The agreement by and between the parties as provided for by Article 47 of Law 29.12.1990, no. 428 is mandatory.

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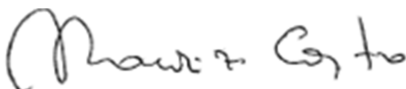
**Art.7 - FINAL CLAUSES**

a) This Tender Regulation and the admission to the Data Room is not intended, nor shall be deemed, to establish any contractual or non-contractual obligations whatsoever upon ACC Compressors, the Extraordinary Commissioner and the Admitted Bidders thereof including, without limitations, in respect of the sale of the ACC Business contemplated under this document, the start of the related sale procedure, its subsequent cessation or revocation of admission of previous Admitted Bidders thereto. The Admitted Bidders cannot claim any damages as a consequence of any decision of the Extraordinary Commissioner concerning the sale of the ACC Business.

b) By accepting this Tender Regulation, you shall accept the Italian Law as the applicable law and that the Court of Pordenone shall have exclusive jurisdiction to settle any dispute arising out of, in relation to, or otherwise connected with, this Tender Regulation and/or the other attached documents to the Letter of Procedure and in general on the sale procedure of the Business of ACC;

c) It should be acknowledged that the official language of this Tender Regulation and of the standard draft preliminary contract for the sale of the Business and of the definitive contract for the sale of the Business is the Italian language; therefore a mere translation in English of the said documents will be provided. Whether the two versions (Italian and English) are in contrast, the Italian version will prevail.

Pordenone, March 7, 2014



The Extraordinary Commissioner  
Maurizio Castro

**For Acceptance**

\_\_\_\_\_ (signature and stamp)

**Specific Acceptance**

Pursuant to Articles 1341 and 1342 of the Italian Civil Code, the bidder confirms to have read, understood and accepted all the clauses of the Tender Regulation, and expressly accepts, after further personal and analytical review, the following Articles: 4 (right of the Extraordinary Commissioner to suspend the sale procedure and to invite any other third party; right of the Extraordinary Commissioner to modify the list of the assets constituting the business to be sold; discretion of the Extraordinary Commissioner for the selection of the preferred offer), 5 (right of the Extraordinary Commissioner to suspend the bid and start a price increase phase) (6 (discretion of the Extraordinary Commissioner for the tender awarding), 7 (Governing Law, Exclusive Jurisdiction and official language).

\_\_\_\_\_ (signature and stamp)