

*The English text is a translation of the Italian official "Warrant Regulation of Fine Foods & Pharmaceuticals N.T.M. S.p.A.". For any conflict or discrepancies between the two texts the Italian text shall prevail.*

## **FINE FOODS & PHARMACEUTICALS N.T.M. S.P.A. WARRANT REGULATION**

### **Art. 1 - Definitions**

In this regulation, these terms have the following meaning:

<b>Issuing Shareholders' Meeting</b>	The Company Extraordinary Shareholders' Meeting held on 10 October 2016.
<b>Shares</b>	The Company ordinary shares with no nominal value indicated.
<b>Conversion Shares</b>	A maximum 2,916,500 Shares used for the exercise of Warrants.
<b>Acceleration Notice</b>	Notification of the Acceleration Condition occurrence to be carried out by press release published on the Company's website ( <a href="http://www.finefoods.it">www.finefoods.it</a> ), unless otherwise legally provided.
<b>Acceleration Condition</b>	The event for which the Average Monthly Price is higher than the Threshold Price.
<b>Market</b>	A regulated market or a multilateral negotiation system.
<b>Offer</b>	<p>The private placement of Shares resulting from the capital increase approved by the Extraordinary Shareholders' Meeting on 10 October 2016, addressed to: (i) qualified Italian investors as defined by Article 34-ter of Regulation 11971 and foreign institutional investors under Regulation S of the United States Securities Act of 1933 (with the exclusion of Australia, Canada, Japan and the United States of America) ("<b>Qualified Investors</b>"); and (ii) investors other than Qualified Investors, provided that the offer is made in a manner that allows the Company to benefit from an exemption from the public offer obligations under Article 100 of the Consolidated Law on Financial Intermediation (TUF) and 34 -ter of Regulation 11971.</p>
<b>Business Combination</b>	Potential acquisition of an interest in other companies or other potential form of aggregation of the company with other companies including but not limited to through a merger, legal acquisition (including the subscription of capital increases and the sale and purchase) of equity investments in the selected company, contributions, and their legal implementation and following a prior modification of the Company corporate purpose.

<b>Restricted period</b>	The period from the date (excluded) in which the Company Board of Directors resolved to convene a Shareholders' Meeting for the approval of the financial statements up to the date (included) in which it took place and up to any ex-dividend date (excluded) set by the Shareholders' Meeting.
<b>Subscription Price</b>	€ 0.1 (zero point one) or a different value established under art. 3.3.
<b>Strike price</b>	€ 9.50 (nine point fifty).
<b>Average Daily Price</b>	The weighted average price for the quantities of a market trading day recorded by the Shares.
<b>Average Monthly Price</b>	The arithmetic average of the Average Daily Prices of the previous calendar month compared to the Warrant exercise date.
<b>Threshold Price</b>	€ 13 (thirteen).
<b>Exercise Ratio</b>	The Conversion Share number, or its fraction, rounded to the fourth decimal place, which can be subscribed against the exercise of 1 (one) Warrant.
<b>Company</b>	Fine Foods & Pharmaceuticals N.T.M. S.p.A., with its registered office in Zingonia-Verdellino (BG), Via Berlino no. 39, REA no. BG-454184 and Bergamo Companies Register registration number, tax code and VAT no. 09320600969.
<b>Time limits</b>	The first among the following dates: (i) the 5th (fifth) year from the Business Combination effective date, and (ii) the thirtieth day following the Acceleration Notice (without prejudice to the provisions of article 3.7 below), if the above date is not a trading day, it will be the next open trading day.
<b>Warrants</b>	The Fine Foods & Pharmaceuticals N.T.M. S.p.A. Warrants issued following the resolution adopted by the Issuing Shareholders' Meeting.

## **Art. 2 - Fine Foods & Pharmaceuticals N.T.M. S.p.A. Warrants**

The Issuing Shareholders' Meeting resolved for a divisible increase of the Company share capital, for a maximum nominal amount of € 291,650, by issuing a maximum of 2,916,500 Conversion Shares without indicating a nominal value, at an issue price not less than € 0.1 (zero point one) for each Conversion Share reserved for Warrant holders' subscription rights.

The Warrants are assigned free of charge as follows: (i) 2 (two) Warrants will be assigned every 10 (ten) Shares subscribed as part of the Offer and, (ii) to those who will be Company shareholders on the

day before the Business Combination effective date (except for those who exercised the right of withdrawal for the Business Combination), 3 (three) Warrants will be assigned every 10 (ten) Shares held.

The Warrants referred to in points (i) and (ii) will be identified by the same ISIN Code and will be completely operative.

For the sake of clarity, the assignment of the second Warrant referred to in sub (ii) will not be considered an extraordinary transaction under art. 4 below.

The Warrants are bearer bonds and are listed on the Monte Titoli S.p.A. ("**Monte Titoli**") under centralised uncertificated procedures under articles 83-bis et seq. of TUF. The Warrants circulate separately from their related Shares at the issue date and are freely transferable.

### **Art. 3 - Warrant exercising conditions**

1. After an entire month following the Business Combination effective date, Warrant holders may request to subscribe for Conversion Shares at a Subscription Price based on the following Exercise Ratio. This is conditional that the Average Monthly Price is greater than the Strike Price:

$$\frac{\text{Average Monthly Price} - \text{Strike Price}}{\text{Average Monthly Price} - \text{Subscription Price}^1}$$

2. If the Acceleration Condition occurs, the Exercise Ratio will be determined under the previous art. 3.1, provided that the Threshold Price<sup>2</sup> will be used instead of the Average Monthly Price.
3. After the Business Combination effective date and within the second open market day of each month, the Board of Directors can set a different Subscription Price in a range between € 0.1 (zero point one) and € 7 (seven). The Board of Directors shall announce this right using the same methods as the Acceleration Notice.
4. By the second open market day following the end of each month, the Company will announce the Average Monthly Price and the Exercise Ratio for the previous month in a press release published on its website. If the communication of the Average Monthly Price and the Exercise Ratio coincides with the Acceleration Notice or with the communication of the Subscription Price modification, the Company may publish a single press release using the same method as the Acceleration Notice.
5. Subscription requests must be submitted to the Monte Titoli broker where the Warrants are deposited, by the last open market day in the month based on the Exercise Ratio published in the same month under art. 3.4. The Conversion Shares deriving from the Warrant exercise would be made available for trading, through Monte Titoli, on the liquidation day following the end of each month of exercise or the liquidation day after the Time limit if there was an Acceleration Notice.

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<sup>1</sup> For example, if the Average Monthly Price was € 11, then the Exercise Ratio will be given by the formula  $(11.00 - 9.5)/(11.00 - 0.1)$ , or equal to 0.1376.

<sup>2</sup> For example, if the Average Monthly Price was € 14 (or higher than the Threshold Price), then the Exercise Ratio will be given by the formula  $(13 - 9.5)/(13 - 0.1)$ , or equal to 0.2713.

6. The Conversion Shares will have the same rights as the Shares on the Warrant's effective exercise date. The Subscription Price must be fully paid upon presentation of the exercise requests, without any increase in commissions or expenses.
7. The Warrant exercise will be suspended in the Restricted Periods. Subscriptions made until the day before the Board's resolution to call the Shareholders' Meeting remain valid and take effect at the end of the Restricted Period. If the Acceleration Condition occurs during a Restricted Period, the Warrant exercise shall remain suspended until the end of the Restricted Period, and the Time limits will resume from the first trading day following the last day of the Restricted Period.
8. Upon presentation of the subscription request, in addition to providing the necessary and usual information, the Warrant holder will: (i) acknowledge that the Shares subscribed to exercise Warrants have not been registered under the United States Securities Act of 1933, as amended, in force in the United States of America; (ii) declare that it is not a "US Person" as defined under the Regulations S of the United States Securities Act of 1933. No share subscribed to exercise Warrants will be attributed to Warrant holders who do not meet the conditions described above.

#### **Art. 4 - Rights of Warrant holders in the case of transactions on the Company's share capital**

If the Company carries out:

1. paid increases in share capital, through the issue of new shares as options, to service other warrants valid for their subscription, or convertible bonds or with warrants or any transactions that give rise to a negotiable right (except for capital increases approved by the Issuing Shareholders' Meeting), the Strike Price will be reduced (and not increased) by an amount rounded down to the nearest thousandth of a Euro, equal to  
 $(P_{cum} - P_{ex})$  where:  
 $P_{cum}$  represents the simple arithmetic average of the last five Daily Average Prices "cum diritto" (of an option related to the increase) of the Share, and  
 $P_{ex}$  represents the simple arithmetic average of the first five Daily Average Prices "ex diritto" (of an option related to the increase) of the Share;
2. free-of-charge increases in share capital through the assignment of new shares, the Exercise Ratio will be increased, and the Strike Price will be decreased, both proportionally to the free-of-charge assignment ratio, subject to the Company Shareholders' Meeting resolution;
3. grouping/splitting of the shares, the Exercise Ratio and the Strike Price will be proportionally increased/decreased to the grouping/splitting ratio, subject to the Company Shareholders' Meeting resolution;
4. Free-of-charge increases in share capital without issuing new shares or capital reductions for losses without cancellation of Shares, the Strike Price will not be changed;
5. capital increases through the issue of shares with the exclusion of the option right under art. 2441, paragraphs 4, 5, 6 and 8 of the Civil Code, the Strike Price will not be changed;

6. merger/demerger transactions in which the Company is not the acquiring/beneficiary company, the Exercise Ratio and the Strike Price will consequently be modified based on the related share swap assignment ratios, subject to the Company Shareholders' Meeting resolution.

If (i) changes are made to the Strike Price under this article, the Threshold Price, the Exercise Ratio and the Subscription Price will be modified based on the restated Strike Price, (ii) another transaction, different from those considered in the previous points is implemented and likely to determine similar effects, the Strike Price may be adjusted according to generally accepted methods, subject to the Company shareholders' meeting resolution, where necessary.

#### **Art. 5 - Fractional Shares**

In cases where, under this Regulation, a fractional number of Shares is due upon exercise of the Warrants, the Warrant holder can subscribe to shares up to the amount of the whole number and not be entitled to assert any right on the fractional part.

#### **Art. 6 – Time limits**

Warrants not exercised by the Time Limit will forfeit all rights and become invalid.

#### **Art. 7 - Tax Regime**

The assignment, purchase, holding, transfer, and exercise of the Warrants by their holders are subject to the current tax regime and applicable to the individual holder.

#### **Art. 8 - Listing**

Borsa Italiana S.p.A. will be initially required to list Warrants on AIM Italia. Listing on another market organised and managed by Borsa Italiana S.p.A. may be requested later. If for any reason, the Warrants or Shares are revoked or suspended from trading, the Acceleration Condition cannot occur.

#### **Art. 9 - Miscellaneous**

All communications from the Company to Warrant holders will be made by a press release published on the Company's website, unless otherwise legally provided.

Warrant possession implies full acceptance of all the conditions set out in this Regulation. This Regulation is governed by Italian law.

The Court of Milan will have exclusive jurisdiction for any dispute relating to the Warrants and this Regulation's provisions.