

SIT S.P.A.

WARRANT REGULATION

“SIT S.p.A. Warrants” Regulation

1. Definitions

In addition to the terms defined elsewhere in this regulation, the following definitions are applied:

AIM Italia	The multilateral trading system organised and managed by Borsa Italiana S.p.A.
Issuing Shareholders’ Meeting:	The company’s Extraordinary Shareholders’ Meeting of May 5, 2017.
Shares:	SIT’s ordinary shares without indication of nominal value.
Shareholders:	The holders of Shares.
Conversion Shares:	The maximum 1,534,380 Shares servicing the exercise of Warrants.
Special Shares	The maximum 240,572 special SIT shares, without indication of nominal value, without voting rights and convertible into shares, according to the terms and conditions set out at Article 4.5 of the company By-Laws.
Acceleration Communication:	The communication, to be made by means of a press release published on the company website (www.sitgroup.it), notifying fulfilment of the Acceleration Condition.
Acceleration Condition:	The event causing the Average Monthly Price to exceed the Threshold Price.
Admission Date:	The admission date of SIT Shares and Warrants to trading on the AIM Italia, established in the notice published by Borsa Italiana S.p.A.
Merger:	The merger by incorporation of Industrial Stars of Italy 2 S.p.A. into SIT, contemporaneous to the adoption of this regulation.
Market:	A regulated market or a multilateral trading system.
Relevant Transaction:	The Merger and contemporaneous admission to trading of Shares on the AIM Italia.
Restricted Period:	The period from the date (excluded) on which the Board of Directors of the company called the Shareholders’ Meeting to approve (i) the statutory financial statements and the dividend payment proposal or (ii) the extraordinary dividend proposal until the day (inclusive) on which the Shareholders’ Meeting was held and, however, until the day (excluded) of any dividend coupon, also of an extraordinary nature, approved by the Shareholders’ Meeting.
Share Subscription Price:	Euro 0.10.
Strike Price:	Euro 9.30.
Average Daily Price:	The average weighted price for the quantities on a Market trading day.
Average Monthly Price:	The average of the Average Daily Price over the duration of each month of the year.

Threshold Price:	Euro 13.00.
Exercise Ratio:	The number, also fractions rounded to the fourth decimal, of Conversion Shares subscribed against the exercise of a Warrant.
Company or SIT:	SIT S.p.A., with registered office in Padua, Viale dell'Industria, 31/33, VAT, Tax and Padua Companies Registration Office No: 04805520287, PD Economic and Administrative Index No.: 419813.
Deadline:	The first between: (i) the fifth year from the Effective Merger Date, (ii) the thirtieth day subsequent to the Acceleration Communication (subject to Article 3.6 below of this Regulation), considering that where the above date is not an open Market day, the first subsequent open Market day is adopted.
Warrants:	The Warrants issued by SIT following the motion passed by the Issuing Shareholders' Meeting.

2. SIT S.p.A. Warrants

- 2.1 The Issuing Shareholders' Meeting approved, among other matters, (i) the issue of a maximum 5,350,000 Warrants, of which a maximum 2,525,000 to be granted free of charge to the shareholders of Industrial Stars of Italy 2 S.p.A. the day prior to the Effective Merger Date (with the exception of those exercising the right to withdrawal and including those acquiring shares for which the right to withdrawal has been exercised) by the third open trading day subsequent to the Effective Merger Date, in the ratio of 1 (one) Warrant for every 2 (two) ordinary Industrial Stars of Italy 2 S.p.A. shares held by such parties the day prior to the Effective Merger Date; and (ii) a divisible share capital increase for a maximum nominal amount of Euro 153,438.00, through the issue of a maximum 1,534,380 Conversion Shares without indication of nominal value, with issue par value of Euro 0.1 for each Conversion Share, to be recorded on exercise of the subscription faculty devolving to Warrant holders.
- 2.2 The Warrants are to bearer and are issued to the Monte Titoli S.p.A. centralised management system ("**Monte Titoli**") in dematerialised form in accordance with Legislative Decree No. 213 of June 24, 1998.
- 2.3 The Warrants circulate separately from the Shares linked to them at the issue date and are freely transferable.

3. Warrant exercise conditions

- 3.1 Warrant holders may request subscription at the Share Subscription Price, at any point from the month subsequent to the Effective Merger Date, to Conversion Shares, on the basis of the following Exercise Ratio, on the condition that the Average Monthly Price is greater than the Strike Price:

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

¹ For example purposes, where the Average Monthly Price is Euro 11.00, the Exercise Price shall be based on the formula $(11.00 - 9.3)/(11.00 - 0.10)$, i.e. equal to 0.1560.

- 3.2 On fulfillment of the Acceleration Condition, the Warrant holders should request subscription at the Share Subscription Price to the Conversion Shares by and not beyond 30 days from the Acceleration Communication according to the following Exercise Ratio:

$$\frac{\text{Threshold Price} - \text{Strike Price}}{\text{Threshold Price} - \text{Share Subscription Price}^2}$$

On fulfillment of the Acceleration Condition, the Acceleration Communication shall be made by the company without delay and within 10 (ten) days from the end of the relevant month.

- 3.3 The company shall communicate without delay and however by the 2nd (second) open market trading day subsequent to the conclusion of each month, the relative Exercise Ratio through a press release published on the company website.
- 3.4 The subscription requests should be presented to the intermediary belonging to the Monte Titoli system with whom the Warrants have been deposited by the end of the month, on the basis of the Exercise Ratio published without delay and however by the 2nd (second) day in accordance with Article 3.3 above. Shares deriving from exercise of the Warrants shall be made available for trading, through the Monte Titoli system, on the settlement day subsequent to the conclusion of each exercise month.
- 3.5 The Conversion Shares shall have the same rights as the Shares at the effective exercise date of the Warrants. The Share Subscription Price shall be fully paid on presentation of the exercise requests, without incurring commissions or expenses.
- 3.6 The exercise of the Warrants shall in any case be suspended in the Restricted Periods. The subscriptions made until the day prior to the Board motion calling the Shareholders' Meeting remain valid and take effect from the first open trading day subsequent to the final day of the Restricted Period. Where during the Restricted Period, the Acceleration Condition is fulfilled, the exercise of the Warrants shall remain suspended until conclusion of the Restricted Period and the Deadline shall be moved forward from the first subsequent open trading day to the final day of the Restricted Period.
- 3.7 On presentation of the subscription request, in addition to providing the necessary and usual information, the Warrant holder should: (i) note that the shares subscribed through exercising the Warrants are not registered in accordance with the Securities Act of 1933 and subsequent amendments, applicable in the United States of America; (ii) shall declare to not being a "U.S. Person" as defined in accordance with "Regulation S" and subsequent modifications, applicable in the United States of America. No Conversion Shares subscribed in the exercise of the Warrants shall be assigned to Warrant holders not satisfying the above conditions.

² For example purposes, where the Average Monthly Price is Euro 14.00 (or higher than the Threshold Price), the Exercise Price shall be based on the formula $(13.00 - 9.3)/(13.00 - 0.10)$, i.e. equal to 0.2868.

4. Rights of Warrant holders in the case of share capital operations

4.1 Where the company executes:

- (a) paid-in share capital increases, through the issue of options on new shares, also in service of other valid warrants for their subscription or convertible bonds or with warrants or however operations which give rise to a tradable coupon right, the Strike Price shall be reduced (and in no case increased) by an amount, rounded downwards to the nearest thousandth, equal to

$$(P_{cum} - P_{ex})$$

in which:

- P_{cum} represents the simple average of the last 5 (five) Average Daily Prices “cum right” (option concerning the relative increase) of the Share;
 - P_{ex} represents the simple average of the first 5 (five) Average Daily Prices “ex right” (option concerning the relative increase) of the Share;
- (b) for scrip issues through the allocation of new Shares: the Exercise Ratio shall be increased and the Strike Price reduced, both proportionally to the free allocation ratio, following approval by the company’s Shareholders’ Meeting;
 - (c) for the reverse stock split/stock split of the Shares, the Exercise Ratio should be reduced/increased and the Strike Price increased/reduced, both proportionally to the reverse stock split/stock split ratio, following approval by the company’s Shareholders’ Meeting;
 - (d) for scrip issues without the issue of new Shares or share capital reductions for losses without the cancellation of shares, the Strike Price shall not be altered;
 - (e) for share capital increases through the issue of new shares with the exclusion of the option right in accordance with Article 2441, paragraphs 4, 5, 6 and 8 of the Civil Code, the Strike Price shall not be altered;
 - (f) for mergers/spin-offs in which the company is not the incorporating/beneficiary company, the Exercise Ratio and the Strike Price will be consequently altered according to the relative share swap/allocation ratios, following approval by the company’s Shareholders’ Meeting.

- 4.2 Where (i) changes are made to the Strike Price under this article, the Threshold Price, the Exercise Ratio and the Share Subscription Price shall in turn be altered on the basis of the recalculated Strike Price, (ii) another operation is executed, other than those considered by Article 4.1 and likely to cause similar effects, the Strike Price shall be adjusted according to generally accepted methods, following, where necessary, Shareholders’ Meeting approval.

5. Fragments

- 5.1 In all cases in which, on the basis of the present Regulation, on the exercise of the Warrants a fragmented number of Shares devolves, the Warrant holder will have the right to subscribe Shares for a total number rounded down and therefore does not have any right to the fragment.

6. Deadline

- 6.1 Warrants not exercised before the Deadline lose all rights and are without any validity.

7. Tax Regime

- 7.1 The assignment, purchase, holding, sale and exercise of Warrants by the respective holders shall be subject to the individually applicable tax regimes.

8. Admission to trading

- 8.1 Borsa Italiana S.p.A. shall be requested to admit the Warrants for trading on the AIM Italia; subsequently, admission to an additional market organised and managed by the former may also be requested. Where for any reason, the Warrants and/or Shares are rescinded or suspended from trading, the Acceleration Condition may not be fulfilled.

9. Miscellaneous

- 9.1 All communications of the company to Warrant holders are made, where not otherwise stated in the By-Laws, through a press release published on the company website.
- 9.2 Warrant holders fully accept all conditions set out in this Regulation.
- 9.3 This Regulation is governed by Italian law.
- 9.4 Any disputes concerning the Warrants and the provisions of this Regulation shall fall exclusively within the jurisdiction of the Milan Court.