

## **INFORMATION DOCUMENT ON MATERIAL RELATED-PARTY TRANSACTIONS**

pursuant to art. 5 and art. 12 of Consob Regulation 17221 of 12 March 2010, as amended by  
decision 17389 of 23 June 2010

**Decision approved by the Board of Directors  
of Cementir Holding S.p.A. concerning “financing operations with  
ICAL 2 S.p.A.”**

## TABLE OF CONTENTS

Foreword.....	3
<b>1. WARNINGS.....</b>	<b>4</b>
1.1 Risks connected to potential conflicts of interest deriving from the related-party transaction.....	4
<b>2. INFORMATION ON THE TRANSACTION.....</b>	<b>4</b>
2.1 Description of the characteristics, processes, terms and conditions of the Transaction .....	4
2.2 Related parties involved in the transaction, nature of the relationship and, where such information has been given to the management board, nature and scope of the interests of these parties in the Financing.....	4
2.3 Economic motivations and convenience of the Financing for the Company.....	5
2.4 Method for determining the cost of the Financing and assessment of its compliance with the market value of similar transactions.....	5
2.5 Effects of the Financing on cash flow, assets and finances, including applicable materiality ratios.....	5
2.6 Any changes to the amount of the compensation paid to the members of the management board of the Company and/or subsidiaries as a result of the Financing.....	5
2.7 Any members of the management and supervisory boards, general managers and executives of the Company involved in the Financing.....	6
2.8 Boards or directors who conducted or participated in the negotiations.....	6
<b>ANNEX.....</b>	<b>8</b>

## Foreword

This information document (the “**Information Document**”) has been prepared by Cementir Holding S.p.A. (the “**Company**” or “**Cementir Holding**”) - pursuant to art. 5 of the Regulation adopted by Consob through decision 17221 of 12 March 2010 and subsequently amended by decision 17389 of 23 June 2010 concerning related-party transactions (the “**Related-Party Transactions Regulation**”) and the procedure adopted by the Company on related-party transactions (the “**Procedure**”).

Specifically, this Information Document has been prepared to provide information on the financing transaction approved by the Board of Directors on 12 July 2016 (the “**Financing**” or the “**Transaction**”) and the associated financing contract (the “**Financing Contract**”) to be signed by Cementir Holding and ICAL 2 S.p.A. (“**ICAL 2**”), under which the latter will lend the Company EUR 125 million.

The Financing is classed as a related-party transaction due to the control exercised by FGC S.p.A. over Cementir Holding and ICAL 2. Specifically, as at the date of this Information Document, FGC S.p.A.:

- (a) indirectly controls Cementir Holding by owning 75% of Finanziaria Italia S.p.A. which in turn holds 99.99% of Finanziaria Italia 2005 S.p.A., which controls Caltagirone S.p.A., which directly and through subsidiaries holds about 57.15% of the share capital of the Company; and
- (b) indirectly controls ICAL 2, holding around 99% of the share capital of ICAL S.p.A., which in turn holds 75% of ICALFIN S.r.l., which in turn holds a representative interest of 95.28% in the share capital of ICAL 2, as well as a direct interest of 3.38%.

The Financing can be classed as a “material transaction” under the terms of the Procedure as the materiality index of the value of the Transaction exceeds the 2.5% and is equal to 11%.

The Company intends to use the Financing to fund the purchase of the business division being sold by Sacci S.p.A. (the “**Sacci Business Division**”).

Therefore, the Financing was approved by the Board of Directors on 12 July 2016, having received the binding favourable opinion of the Committee of Independent Directors on the overall interest of the Company in entering into the Financing Contract, as well as the overall convenience and substantive correctness of the associated conditions.

This Information Document is available from Company headquarters at Corso di Francia 200, Rome (Italy), on the Company website [www.cementirholding.it](http://www.cementirholding.it) and on the authorized storage system managed by Bit Market Services at the address [www.emarketstorage.com](http://www.emarketstorage.com).

## **1. WARNINGS**

### **1.1. Risks connected to potential conflicts of interest deriving from the related-party transaction.**

The Transaction discussed in this Information Document does not present any risks connected to potential conflicts of interest between the parties involved, nor any risks other than those typical to financing transactions.

## **2. INFORMATION ON THE TRANSACTION**

### **2.1. Description of the characteristics, processes, terms and conditions of the Transaction.**

The Transaction involves the signing of a Financing Contract for EUR 125 million to be loaned by ICAL 2 to the Company according to the terms and conditions set out below:

- to be disbursed in a single lump sum on request of the Company;
- interest rate of 1.50% per annum;
- final repayment on 28 February 2017, although the parties may agree to extend this term for a further three months from 28 February 2017 to 31 May 2017;
- the contract allows for full or partial early repayment by the Company of the amount loaned without incurring any fees (e.g. break-up fees), giving ICAL 2 advance notice of at least 5 working days.

The Company intends to use the Financing to fund the purchase of the Sacci Business Division, for which its subsidiary Cementir Italia S.p.A. has made an offer. Accordingly, the Financing is to be disbursed once the conditions precedent set out in the purchase offer for the aforesaid business division have been fulfilled.

### **2.2. Related parties involved in the transaction, nature of the relationship and, where such information has been given to the management board, nature and scope of the interests of these parties in the Financing.**

The signing of the Financing Contract is a related-party Transaction because, at the date of this Information Document, Cementir Holding and the lender ICAL 2 are both subject to the control of FGC S.p.A., which:

- (a) indirectly controls Cementir Holding by owning 75% of Finanziaria Italia S.p.A. which in turn holds 99.99% of Finanziaria Italia 2005 S.p.A., which controls Caltagirone S.p.A., which directly and through subsidiaries holds about 57.15% of the share capital of the Company; and
- (b) indirectly controls ICAL 2, holding around 99% of the share capital of ICAL S.p.A., which in turn holds 75% of ICALFIN S.r.l., which in turn holds an interest equal to 95.28% in the share capital of ICAL 2, as well as a direct interest of 3.38%.

### **2.3. Economic motivations and convenience of the Financing for the Company.**

The Financing Contract is convenient for the Company at this time due to the absence of upfront and/or arranging fees (to be paid to the lender upon signature of the contract in addition to the percentage interest rate on the financing) and the absence of any step-ups (percentage points that increase the spread applied to the financing quarter by quarter), as offered by other banks for similar contracts, as well as the absence of any requests for collateral and/or financial covenants.

It is a bridge loan that enables the Company to complete the purchase of the Sacci Business Division without its business suffering from the tensions that recently appeared on financial markets, with a view to finalising the optimal structure of the Cementir Holding group.

### **2.4. Method for determining the cost of the Financing and assessment of its compliance with the market value of similar transactions.**

The conditions of the Financing are in line with the best offers on the market, taking into account the absence of any upfront and or arranging fees and the lack of any step-ups, which are charged by other banks for “bridge” loans.

### **2.5. Effects of the Financing on cash flow, assets and finances, including applicable materiality ratios.**

The Transaction is a “material transaction” as the amount agreed exceeds the applicable materiality ratio identified pursuant to art. 4.1 a) of the Consob Regulation, as implemented in the Procedure. In particular, the transaction value of the Financing exceeds the 2.5% materiality threshold, calculated as a ratio between the value of the Transaction (EUR 125 million) and equity as shown in the most recent consolidated financial statements published on 31 December 2015, equal to EUR 1,131 million.

The effects of the Financing on cash flow, assets and finances are specified below:

- The cost of the EUR 125 million loan will be equal to an annual all-inclusive interest rate of 1.5%;
- The term of the Financing will end on 28 February 2017 and must, therefore, be refinanced by this date, taking into account in all cases the flexibility offered by the possibility of extending it for a further three months (from 28 February 2017 to 31 May 2017) or of early repayment of the loan, without charge, with advance notice of at least 5 working days.

### **2.6. Any changes to the amount of the compensation paid to the members of the management board of the Company and/or subsidiaries as a result of the Financing.**

The Transaction will not result in any change in the compensation of directors of the Company and/or its subsidiaries.

**2.7. Any members of the management and supervisory boards, general managers and executives of the Company involved in the Financing.**

The following are involved in this loan as related parties: Carlo Carlevaris, Deputy Chairman of Cementir Holding, who is also a director of ICAL S.p.A.; Alessandro Caltagirone, director of Cementir Holding, who is also Chairman of the Board of Directors of ICAL S.p.A. and a director of Cimentas A.S. (indirect subsidiary of Cementir Holding); Azzurra Caltagirone, director of Cementir Holding, who is also Chairman of the Board of Directors of FGC S.p.A. and a director of ICAL S.p.A.; Saverio Caltagirone, director of Cementir Holding and minority shareholder in a company that indirectly controls ICAL 2; Mario Delfini, director of Cementir Holding, who is also a director of FGC S.p.A. and of ICAL S.p.A.; Massimiliano Capece Minutolo, Chairman of the Board of Directors of ICAL 2 and a director of ICAL S.p.A. and of two subsidiaries of Cementir Holding: Cementir Italia S.p.A. and Cimentas A.S. For the sake of completeness, the other members of the Board of Directors, Board of Statutory Auditors, and executives of the Company or its subsidiaries are not involved in the transaction as related parties.

**2.8. Boards or directors who conducted or participated in the negotiations.**

The Committee of Independent Directors met on 11 July 2016 and evaluated the Financing transaction, considering comprehensive and timely information. In conclusion, they issued a favourable opinion on the overall interest of the Company in signing the Financing Contract and on the convenience and substantive correctness of the associated conditions.

The opinion issued on 11 July 2016 by the Committee of Independent Directors is included as an annex to this Information Document.

Considering the favourable opinion of the Committee of Independent Directors, on 12 July 2016, the Board of Directors of the Company approved the Financing with a unanimous vote of those present. The said meeting was attended by the Chairman Francesco Caltagirone and the Directors Paolo Di Benedetto, Chiara Mancini, Riccardo Nicolini, Veronica De Romanis, Mario Delfini, Saverio Caltagirone, Mario Ciliberto, Carlo Carlevaris, Alessandro Caltagirone, Azzurra Caltagirone, and the Board of Statutory Auditors Claudio Bianchi, Maria Assunta Coluccia, Giampiero Tasco.

**If the materiality of the transaction derives from the accumulation, pursuant to art. 5.2, of more than one transaction during the year with the same related party or with associates of said related party of the Company, then the information provided in the above points must be provided for each of the said transactions.**

This situation does not apply to the Transaction in question.

**ANNEX:** Opinion of the Committee of Independent Directors of Cementir Holding S.p.A.

## **OPINION OF THE COMMITTEE OF INDEPENDENT DIRECTORS OF CEMENTIR HOLDING S.P.A. PURSUANT TO THE “RELATED-PARTY TRANSACTIONS PROCEDURE”**

In the meeting held on 11 July 2016, the Committee of Independent Directors (the “**Committee**”), represented by the Independent Directors who are not related parties, Paolo Di Benedetto, (Chairman), Chiara Mancini and Veronica De Romanis, in the presence of the Chairman of the Board of Statutory Auditors, met to discuss and approve the opinion of the Committee on Cementir Holding S.p.A. (“**Cementir Holding**” or the “**Company**”) entering into a financing contract with ICAL 2 S.r.l. (“**ICAL2**”) for a maximum of EUR 125 million, (the “**Financing**” or the “**Transaction**”).

Pursuant to the Consob regulation approved through decision 17221 of 12 March 2010 (the “**Regulation**”) and the procedure on related-party transactions adopted by Cementir Holding, (the “**Procedure**”), the Financing is classed as a related-party transaction due to the control exercised by FGC S.p.A. over Cementir Holding and ICAL 2.

The Financing is also classed as an extraordinary transaction, under the terms of the Regulation, because it is not part of the ordinary business activities of the Company.

The Financing can be classed as a “material transaction” under the terms of the Procedure as the materiality index of the value of the Transaction exceeds the 2.5% threshold (11%).

For the purposes of assessing the materiality threshold, the maximum available loan amount of EUR 125 million has been used.

For the purposes of issuing this opinion, in line with the aforesaid Regulation and the relevant Procedure, the Committee has received adequate information about the Financing and has assessed the conditions and characteristics of the Transaction, comparing them with financing offers presented to the Company by leading financial institutions.

As regards the motivations for the Transaction, the Committee finds that the Financing is appropriate for funding the purchase of the business division being sold by Sacci S.p.A. (the “**Sacci Business Division**”).

Having confirmed that the Transaction complies with Group policies to seize business opportunities including on the domestic market, the Transaction is also convenient compared to the other loans offered by financial institutions, due to the favourable interest rates and the absence of upfront and/or arranging fees (to be paid to the lender upon signature of the contract in addition to the percentage interest rate on the financing) and the absence of any “step-ups” (percentage points that increase the spread applied to the financing quarter by quarter), which instead were present in the offers of the other lenders consulted.

In addition, as regards market practices and conditions, the Financing is more flexible in terms of its duration (set at 7 months, unless extended, compared to other offers whose terms were set at 12 months)



and possible extension, with the option for early repayment without additional costs (i.e. “break-up fees” for early repayment of the loan) which were also involved in the other loan offers.

The Transaction involves the signing of a Financing Contract for EUR 125 million according to the terms and conditions set out below:

- to be disbursed in a single lump sum on request of the Company;
- all-inclusive interest rate of 1.50% per annum;
- final repayment on 28 February 2017, although the parties may agree to extend this term for a further three months from 28 February 2017 to 31 May 2017;
- the contract allows for full or partial early repayment by the Company of the amount loaned without incurring any fees, providing it gives ICAL 2 advance notice of at least 5 working days.

The company is not required to give any financial covenants or collateral. The interest rate has been determined by taking account of the conditions applied by leading banks to transactions with similar characteristics to the Financing.

The Company intends to use the Financing to fund the purchase of the Sacci Business Division, for which its subsidiary Cementir Italia S.p.A. has made an offer. Accordingly, the financing is to be disbursed once the conditions precedent set out in the purchase offer for the aforesaid business division have been fulfilled.

Therefore, in view of the interest-rate conditions and other characteristics of the Financing, the Committee – having determined that no further assessments need to be sought from independent experts – finds that, on the basis of the information provided, the conditions illustrated are better than the conditions available on the reference market in similar transactions between non-related parties.

In light of the above, the Committee unanimously,

**EXPRESSES ITS FAVOURABLE OPINION**

on the transaction, considering it to be convenient, in the interests of the Company and formally and substantively correct.