

CB01

Notice of a cross border merger involving a UK registered company

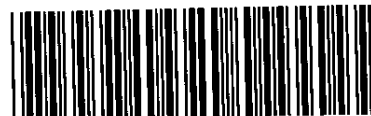


Companies House

☒ **What this form is for**
You may use this form
to give notice of a cross border
merger between two or more
limited companies (including a
UK registered company).

☐ **What this form is for**
You cannot use this form to
give notice of a cross border
merger between companies
in the European Economic
Area.

FRIDAY



A06 *A7JBWVBV* 23/11/2018 #36
COMPANIES HOUSE

ase
uk

Part 1 Company details

Company number of
UK merging company 0 9 5 0 2 1 1 6

Company name in
full of UK merging
company SATISPAY LIMITED

→ **Filling in this form**
Please complete in typescript, or in
bold black capitals.
All fields are mandatory unless
specified or indicated by *

Part 2 Merging companies

Please use **Section A1** and **Section B1** to fill in the details for each merging
company (including UK companies). Please use a CB01 continuation page to
enter the details of additional merging companies.

A1 Merging company details¹

Full company name	SATISPAY LIMITED
Registered number ²	0 9 5 0 2 1 1 6
Building name/number	138 HOLBORN
Street	3 WATERHOUSE SQUARE
Post town	LONDON
County/Region	LONDON
Postcode	E C 1 N 2 S W
Country	UNITED KINGDOM
Legal form and law ³	PRIVATE LIMITED COMPANY LIMITED BY SHARES ENGLAND AND WALES
Member state and registry ⁴	UNITED KINGDOM COMPANIES HOUSE CROWN WAY, CARDIFF, CF14 3UZ

- 1 Merging Company details**
Please use Section B1 to enter
the details of the second merging
company.
- 2 Registered number**
Please give the registered number
as it appears in the member
state registry.
- 3 Legal entity and governing law**
Please enter the legal form and law
which applies to the company.
- 4 Member state and registry**
For non-UK companies, please enter
the name of the member state and
the name and address of the registry
where documents are kept.

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B1 Merging company details ^①	
Full company name	SATISPAY EUROPE SA
Registered number ^②	B 2 2 9 1 4 9 <input type="text"/> <input type="text"/> <input type="text"/>
	Please enter the registered office address.
Building name/number	g
Street	RUE DE LABORATOIRE
Post town	LUXEMBOURG
County/Region	LUXEMBOURG
Postcode	L - 1 9 1 1 <input type="text"/> <input type="text"/>
Country	GRAND DUCHY OF LUXEMBOURG
Legal form and law ^③	SOCIETY ANONYME GRAND DUCHY OF LUXEMBOURG
Member state and registry ^④	GRAND DUCHY OF LUXEMBOURG TRADE AND COMPANIES REGISTER (RCS) 14, RUE ERASME, L-1468 LUXEMBOURG

① Merging Company details
Please use a CB01 continuation page to enter the details of additional merging companies.

② Registered number
Please give the registered number as it appears in the member state registry.

③ Legal entity and governing law
Please enter the legal form and law which applies to the company.

④ Member state and registry
For non-UK companies, please enter the name of the member state and the name and address of the registry where documents are kept.

Part 3 Details of meetings^⑤

If applicable, please enter the date, time and place of every meeting summoned under regulation 11 (power of court to summon meeting of members or creditors).

Details of meeting	
Date	^d 0 ^d 1 ^m 0 ^m 2 ^y 2 ^y 0 ^y 1 ^y 9
Time	11.30 AM
Place	138 HOLBORN, 3 WATERHOUSE SQUARE - EC1N 2SW LONDON
Details of meeting	
Date	^d ^d ^m ^m ^y ^y ^y ^y
Time	
Place	
Details of meeting	
Date	^d ^d ^m ^m ^y ^y ^y ^y
Time	
Place	
Details of meeting	
Date	^d ^d ^m ^m ^y ^y ^y ^y
Time	
Place	

⑤ Details of meetings
For additional meetings held under regulation 11, please use a CB01 continuation page.

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Part 4 Terms of merger and court orders

C1 Terms of merger

You must either:

- enclose a copy of the draft terms of merger;
- or;
- give details (below) of a website on which the draft terms are available. ❶

Website address

❶ Draft terms of merger on a website

In order to be able to give notice of draft terms of merger on a website, the following conditions must be met:

- the website is maintained by or on behalf of the UK merging company;
- The website identifies the UK merging company;
- no fee is required to access the draft terms of merger;
- the draft terms of merger remain available on the website throughout the period beginning one month before and ending on the date of the first meeting of members.

C2 Court orders

If applicable, you must enclose a copy of any court order made where the court has summoned a meeting of members or creditors.

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Part 5 Signature

D1 Signature

I am signing this form on behalf of the UK merging company.

Signature

Signature

X 

X

This form may be signed by a director of the UK merging company on behalf of the Board.

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Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	NALLINI PURI
Company name	CLEARY GOTTLIEB STEEN & HAMILTON LLP
Address	2 LONDON WALL PLACE
Post town	LONDON
County/Region	LONDON
Postcode	E C 2 Y 5 A U
Country	LONDON
DX	
Telephone	02076142289



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number of the UK merging company match the information held on the public Register.
- ☐ You have completed the details of each merging company in Part 2.
- ☐ You have completed Part 3.
- ☐ You have completed Part 4 (if applicable).
- ☐ You have enclosed the relevant documents.
- ☐ You have signed the form in Part 5.



Important information

Please note that all information on this form will appear on the public record.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the appropriate address below:

For companies registered in England and Wales:
The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

For companies registered in Scotland:
The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post).

For companies registered in Northern Ireland:
The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG.
DX 481 N.R. Belfast 1.



Further information

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk

DRAFT TERMS OF MERGER / PROJET DE FUSION

THESE DRAFT TERMS OF MERGER (the "**Common Draft Terms of Merger**") are dated 30 October 2018 and drawn up by the board of directors (collectively, the "**Boards**"), respectively, of each of the following companies:

- (1) **SATISPAY EUROPE SA**, a public company incorporated under and governed by the laws of Luxembourg, having its registered office at 9, rue du Laboratoire, 1911 Luxembourg, Grand Duchy of Luxembourg, in process of being registered in the Luxembourg Register of Commerce and Companies (the "**Transferee Company**"); and
- (2) **SATISPAY LIMITED**, a private limited company incorporated under and governed by the laws of England and Wales, having its registered office at 138 Holborn, 3 Waterhouse Square, London EC1N 2SW, United Kingdom, and as registered with the Registrar of Companies for England and Wales under number 09502116 (the "**Transferor Company**" and together with the Transferee Company, the "**Merging Companies**").

WHEREAS:

- (A) The Transferor Company and the Transferee Company are wholly-owned direct subsidiaries of Satispay S.p.A., a public company (*società per azioni*) incorporated under and governed by the laws of Italy, having its registered office at Via Sassetti 32, 20124 Milano, Italy, and as registered with the Enterprise Register of the Italian Chambers of Commerce under number 10927360015 (the "**Parent Company**").
- (B) The Boards of the Transferee Company and the Transferor Company seek to ensure that the Transferor Company can continue to seamlessly operate as authorised electric money institution and passport its financial services in the European single market regardless of the outcome of the political negotiations regarding the United Kingdom's exit from the European Union.
- (C) Consequently, these Common Draft Terms of Merger have been prepared by the Boards in order to effectuate a cross-border merger by absorption between the Transferor Company and Transferee Company.
- (D) It is intended that as a result of the proposed merger, (i) the Transferee Company will acquire all assets and liabilities of the Transferor Company by operation of law under universal succession of title (the "**Merger**"); (ii) the Transferor Company will be dissolved without going into liquidation and cease to exist; and (iii) the Transferee Company will allot to the Parent Company 1,000,000 (one million) ordinary shares in consideration of the cancellation of 7,000,000 (seven million) ordinary shares held by the Parent Company in the Transferor Company.
- (E) The Merger will be implemented subject to and in compliance with the Act concerning commercial companies of 10 August 1915, as amended, of the Grand Duchy of Luxembourg (the "**Luxembourg Commercial Companies Act 1915**"), the Companies Act 2006, as amended, (the "**UK Companies Act**") and The Companies (Cross-Border Mergers) Regulations 2007, as amended, (the "**UK CBMR 2007**", and collectively with the UK Companies Act, the "**UK Regulations**") of the United Kingdom.

- (F) The Transferor Company is an Electronic Money Institution authorised and regulated by the Financial Conduct Authority of the United Kingdom (the "FCA") under number 900559. By virtue of its authorisation, the Transferor Company is currently authorised to carry out electronic money services activities as an Authorised Electronic Money Institution under the Electronic Money Regulations 2011 of the United Kingdom. In anticipation and in advance of the Merger, the Transferor Company intends to notify the FCA of its intention to enter into the Merger, which will become operational on the Effective Date of Merger (as defined below at 3.4) and intends to obtain necessary consents from clients in respect of whom client money is held, in compliance with regulatory requirements imposed by the FCA. An application will also be made to the FCA to surrender the Transferor Company's license prior to the Effective Date of Merger.
- (G) The Transferee Company has applied for an authorisation as an electronic money institution from the Luxembourg domestic financial regulatory authorities, the *Commission de Surveillance du Secteur Financier*, in order to become authorized to provide electronic money services and payment services under the Luxembourg Law of 10 November 2009 on payment services, as amended.
- (H) Neither the Transferee Company nor the Transferor Company has been dissolved or is subject to any bankruptcy proceedings, suspension of payments, emergency measures or other insolvency proceedings in the United Kingdom or in Luxembourg.
- (I) For the avoidance of doubt, as at the date hereof, the shares in the Merging Companies are fully paid up and free and clear of all encumbrances, including pledges and charges, attachments and freezing injunctions.

NOW, IT IS HEREBY PROPOSED to adopt the following Common Draft Terms of Merger in connection with the Merger:

1 COMMON DRAFT TERMS OF CROSS-BORDER MERGER

1.1 Legal form, name and corporate seat/registered office of each of the Companies involved in the division

(Article 1021-1, paragraph (2), sub-paragraph 1° of the Luxembourg Commercial Companies Act 1915)

(Regulation 7, paragraph (2), sub-paragraph (a) of the UK CBMR 2007)

The Transferee Company is Satspay Europe SA, a public company incorporated under and governed by the laws of Luxembourg, having its corporate seat/registered office at 9, rue du Laboratoire, 1911 Luxembourg, Grand Duchy of Luxembourg.

The Transferor Company is Satspay Limited, a private limited company incorporated under and governed by the laws of England and Wales, having its registered office at 138 Holborn, 3 Waterhouse Square, London EC1N 2SW, United Kingdom.

1.2 Share exchange ratio and the amount of any cash payment

(Article 1021-1, paragraph (2), sub-paragraph 2° of the Luxembourg Commercial Companies Act 1915)

(Regulation 7, paragraph (2), sub-paragraph (b) of the UK CBMR 2007)

The Transferor Company currently has 7,000,000 (seven million) ordinary shares in issue, each with a nominal value of EUR 1.00 (one euro).

In connection with the Merger, the Transferor Company shall cease to exist and as a result all the shares in the Transferor Company will be cancelled.

In consideration for the Merger, the Transferee Company will allot and allocate to the Parent Company 1,000,000 (one million) ordinary shares of the Transferee Company, credited as fully paid, with a nominal value of EUR 1.00 (one euro) each (the "**New Shares**"). As of the Effective Date of Merger, the share capital of the Transferee Company will be increased by a total amount of EUR 1,000,000 (one million euros) consisting of one million (1,000,000) shares, each with a nominal value of EUR 1.00 (one euro).

The share exchange ratio is therefore 7:1 (seven to one).

There will be no cash payment made in connection with the Merger to any persons.

1.3 Terms relating to the allotment of shares or other securities in the Transferee Company

(Article 1021-1, paragraph (2), sub-paragraph 3° of the Luxembourg Commercial Companies Act 1915)

(Regulation 7, paragraph (2), sub-paragraph (c) of the UK CBMR 2007)

As a result of the Merger, all shares of the Transferor Company will be cancelled by operation of law and the Transferor Company will cease to exist as of the Effective Date of Merger. As of the Effective Date of Merger, the Transferee Company will allot and allocate, credited as fully paid, to the Parent Company 1,000,000 (one million) New Shares in consideration for the cancellation of all 7,000,000 (seven million) shares of the Transferor Company.

The New Shares will rank *pari passu* in all respects with the shares of the Transferee Company in issue at the time of the Effective Date of Merger, including with respect to rights as to voting, receipt and retention of dividends and other distributions declared, made or paid by reference to a record time falling on or after the Effective Date of Merger. The allotment and allocation of the New Shares in the Transferee Company will be registered in the Transferee Company's share register.

In this Merger, where:

- (i) the Transferee Company and the Transferor Company are wholly-owned direct subsidiaries of the Parent Company; and
- (ii) the Parent Company will be allotted the New Shares in consideration of the cancellation of all shares of the Transferor Company,

the exchange ratio is fair and reasonable as both of the Merging Companies are wholly-owned subsidiaries of the Parent Company.

Other than the ordinary shares of each of the Transferee Company and the Transferor Company which are currently in issue, there are no other securities in issue by either of the Merging Companies.

1.4 Date from which the holding of shares in the Transferee Company will entitle the holders to participate in profits and any special conditions affecting that entitlement

(Article 1021-1, paragraph (2), sub-paragraph 4° of the Luxembourg Commercial Companies Act 1915)

(Regulation 7, paragraph (2), sub-paragraph (e) of the UK CBMR 2007)

The New Shares will rank *pari passu* in all respects with the shares of the Transferee Company in issue at the time of the Effective Date of Merger and will entitle the Parent Company to participate in profits of the Transferee Company as of the day of allotment, which will be the Effective Date of Merger (see below).

There are no special conditions affecting the holders' entitlement to participate in profits in the Transferee Company.

1.5 Date from which the transactions of the Transferor Company are to be treated for accounting purposes as being those of the Transferee Company

(Article 1021-1, paragraph (2), sub-paragraph 5° of the Luxembourg Commercial Companies Act 1915)

(Regulation 7, paragraph (2), sub-paragraph (f) of the UK CBMR 2007)

The transactions of the Transferor Company are to be treated for accounting purposes as being those of the Transferee Company as of 1 January 2019. Accordingly, the last financial year of the Transferor Company will end on 31 December 2018.

1.6 Rights conferred by the Transferee Company on the holders of shares to which special rights are attached and the holders of securities other than shares, or the measures proposed concerning them

(Article 1021-1, paragraph (2), sub-paragraph 6° of the Luxembourg Commercial Companies Act 1915)

(Regulation 7, paragraph (2), sub-paragraph (g) of the UK CBMR 2007)

The Transferee Company has not issued any securities other than shares and its share capital is divided into ordinary shares only. There are no shares or other securities to which any special rights or restrictions attach.

Therefore, following completion of the Merger, the New Shares in the Transferee Company to be allotted and allocated to the Parent Company will rank *pari passu* in all respects with the shares of the Transferee Company in issue at the time of the Effective Date of Merger, including with respect to rights as to voting, receipt and retention of dividends and other distributions.

1.7 Any special advantage granted or amount or benefit paid or given or intended to be paid or given to experts and members of the administrative, management, supervisory or controlling bodies of the Merging Companies

(Article 1021-1, paragraph (2), sub-paragraph 7° of the Luxembourg Commercial Companies Act 1915)

(Regulation 7, paragraph (2), sub-paragraph (h) of the UK CBMR 2007)

No amount or benefit has been granted, paid or given, nor is intended to be granted, paid or given to the independent expert referred to in the Luxembourg Commercial Companies Act 1915 and the UK CBMR 2007, if any, or to any director of each of the Merging Companies in connection with the Merger. The Merging Companies intend to seek shareholder approval under article 1021-6 of the Luxembourg Commercial Companies Act 1915 and Rule 9(1)(c) of the UK CBMR 2007 to waive the requirement for an independent expert's report.

1.8 Articles of association of the Transferee Company

(Article 1021-1, paragraph (4), sub-paragraph 1° of the Luxembourg Commercial Companies Act 1915)

(Regulation 7, paragraph (2), sub-paragraph (i) of the UK CBMR 2007)

The current articles of association of the Transferee Company, drawn up in both French and English, are set out in Schedule 1 hereto.

Such articles will be amended and restated in connection with and at the occasion of the Merger in the form set out in Schedule 2 hereto.

1.9 Likely repercussions of the Merger for employees of each merging company

(Article 1021-1, paragraph (4), sub-paragraph 2° of the Luxembourg Commercial Companies Act 1915)

(Regulation 7, paragraph (2), sub-paragraph (d) of the UK CBMR 2007)

As at the date of these Common Draft Terms of Merger, the Transferee Company does not have any employees and the Transferor Company has 13 employees, all of whom are employed in the United Kingdom (the "**Transferor Company Employees**").

It is anticipated that as a result of the Merger and the dissolution of the Transferor Company, all employee roles primarily based in the United Kingdom will be made redundant. In contemplation of this and in line with best practice in the United Kingdom, the Transferor Company will undertake an individual consultation process with each of the Transferor Company Employees. Transferor Company Employees will be provided with adequate information about the Merger and given sufficient time in which to consider and respond to any proposals put forward by the Merging Companies as regards their employment.

In advance of the Merger, the Transferee Company or the Parent Company will also offer employment to all Transferor Company Employees (the "**Offer of Employment**"). Such Offer of Employment shall stipulate that following the Effective Date of Merger, Transferor Company Employees who accept employment under either the Transferee Company or the Parent Company as the case may be ("**Accepting Employees**") will:

- (i) Continue to be employed without interruption and have their continuous length of service preserved (to the extent permitted under local law);
- (ii) Be employed under new contracts with substantially the same terms and conditions of employment currently in force under each employee's existing contracts with the Transferor Company, but subject to compliance with any and all legal requirements in Luxembourg or Italy respectively; and

- (iii) Have their primary place of work in either Milan, Italy, or Luxembourg, respectively, subject to compliance with any applicable immigration laws.

As all Transferor Company Employees are currently not represented by any collective bargaining unit or subject to any bargaining agreement, Accepting Employees will not be represented by or subject to any similar arrangements in either Luxembourg or Italy unless required and regulated by local law.

Transferor Company Employees will not be compelled by any of the Merging Companies or the Parent Company to accept any Offer of Employment. If any Transferor Company Employees reject an Offer of Employment, they will be made redundant and will consequently be entitled to any statutory redundancy payments due (to the extent applicable under applicable laws), as well as any other contractual entitlements on termination.

It is contemplated that before the Effective Date of Merger, the Transferee Company will have hired one employee. The Merger is not expected to have any consequences on employment of such employee, or any other employees eventually hired by the Transferee Company, following the Effective Date of Merger.

1.10 Information on the procedures by which arrangements for the involvement of employees in the definition of their rights to participation in the Transferee Company are to be determined

(Article 1021-1, paragraph (4), sub-paragraph 3° of the Luxembourg Commercial Companies Act 1915)

(Regulation 7, paragraph (2), sub-paragraph (j) of the UK CBMR 2007)

Under Luxembourg law, no employee participation rights apply in relation to the Transferee Company (either before or after the merger) and there is no requirement to agree to standard rules of employee participation following the Merger. In the absence of any employees, the Transferee Company cannot establish a special negotiating body.

The Transferor Company does not currently have a system of employee participation (as such term is defined in the UK CBMR 2007) and is not required to make arrangements for the participation of employees pursuant to Part 4 of the UK CBMR 2007.

1.11 Information on the evaluation of the assets and liabilities to be transferred to the Transferee Company

(Article 1021-1, paragraph (4), sub-paragraph 4° of the Luxembourg Commercial Companies Act 1915)

(Regulation 7, paragraph (2), sub-paragraph (k) of the UK CBMR 2007)

The evaluation of the assets and liabilities of the Transferor Company to be transferred to the Transferee Company shall be performed, in principle, on the basis of the book value of such assets and liabilities as mentioned in the books of account of the Transferor Company on 31 December 2018.

The surplus amount corresponding to the difference between (i) the net book value of the assets and liabilities to be transferred to the Transferee Company; and (ii) the aggregate

nominal value of the New Shares will be allocated to the Transferee Company in a share premium account.

1.12 Dates of the accounts of the Merging Companies which were used to establish the conditions of the Merger

(Article 1021-1, paragraph (4), sub-paragraph 5° of the Luxembourg Commercial Companies Act 1915)

(Regulation 7, paragraph (2), sub-paragraph (I) of the UK CBMR 2007)

For the purposes of establishing the conditions of the Merger, among other things, the management accounts of the Transferee Company dated 30 October 2018 and the management accounts of the Transferor Company dated 31 August 2018 were used.

2 CREDITORS' RIGHTS

2.1 Luxembourg law

Pursuant to Article 1021-9 of the Luxembourg Commercial Companies Act 1915, notwithstanding any agreement to the contrary, within two months of the publication of the resolutions to approve these Common Draft Terms of Merger and to merge the Merging Companies, the Merging Companies' creditors whose claims antedate the publication of these Common Draft Terms of Merger can apply to a competent Luxembourg court to order the provision of adequate safeguards for any matured or unmatured debts, where they can credibly demonstrate that due to the Merger the satisfaction of their claims is at risk and that no adequate safeguards have been obtained from the relevant Merging Company.

2.2 English law

Pursuant to Regulation 11 of the UK CBMR 2007, any creditor of the Transferor Company (if any) may apply to the competent court in the United Kingdom for a court order directing that the Transferor Company convene a meeting of creditors (or a class of creditors) of the Transferor Company to approve these Common Draft Terms of Merger. In accordance with Regulation 11(3) of the UK CBMR 2007, Section 323 of the UK Companies Act will apply with respect to the representation of corporations at a meeting of creditors. Pursuant to Regulation 14 of the UK CBMR 2007, if a meeting of creditors or a class of creditors is summoned under Regulation 11, these Common Draft Terms of Merger must be approved by a majority in number, representing 75% in value, of the creditors or class of creditors present and voting.

Further, the competent court in the United Kingdom will take into account the impact of a proposed cross-border merger on the creditors of the Transferor Company (if any), when assessing how to exercise its discretion under Regulation 6 of the UK CBMR 2007 to provide an order certifying that the Transferor Company has completed properly the pre-merger acts and formalities for the cross-border merger (the "UK Pre-merger Certificate").

2.3 Further information

Interested parties can obtain, at the registered offices of the Merging Companies, the addresses of which are mentioned above, complete information on the arrangements under these Common Draft Terms of Merger, Luxembourg law and English law for the exercise of

rights of creditors of the Merging Companies in relation to the proposed Merger, but only to the extent the provision of such information is required by applicable law.

In particular, the Boards of the Merging Companies have prepared a joint directors' report in accordance with requirements under Article 1021-5 of the Luxembourg Commercial Companies Act 1915 and Regulation 8 of the UK CBMR 2007. This will be made available at the registered offices of the Transferor Company to its employees for a period beginning one month before and ending on the date of the first meeting of the members of the Transferor Company convened in accordance with Regulation 13 of the UK CBMR 2007.

3 MISCELLANEOUS

3.1 Definitions and interpretation

Words and expressions used but not otherwise defined in these Common Draft Terms of Merger shall have the meanings ascribed thereto in the UK Regulations and the rules of interpretation set out in the UK Regulations are hereby incorporated by reference and repeated as if set out in these Common Draft Terms of Merger.

3.2 Schedules

The Schedules hereto form an integral part of these Common Draft Terms of Merger.

3.3 English to prevail

These Common Draft Terms of Merger are drawn up in both English and French. In case of any discrepancy between the English version and the French version, the English version will prevail.

3.4 Coming into effect of the Merger

The proposed Merger shall take effect and shall be enforceable against third parties from the date of the publication in the Luxembourg Electronic Repository of Companies and Associations (RESA) of the minutes of the general meeting of the Transferee Company deciding to approve these Common Draft Terms of Merger and to merge the Merging Companies (the "**Effective Date of Merger**"). Accordingly, as at the Effective Date of Merger, *inter alia*, unless otherwise provided by applicable law:

- (a) all of the assets and liabilities of the Transferor Company will be transferred by universal succession of title to the Transferee Company;
- (b) any and all legal proceedings, if any, pending by or against the Transferor Company will be continued with the substitution of the Transferee Company for the Transferor Company as a party;
- (c) every contract, agreement, or instrument to which the Transferor Company is a party, notwithstanding anything to the contrary contained in that contract, agreement or instrument, shall be construed and have effect as if:
 - (i) the Transferee Company had been a party to it instead of the Transferor Company; and
 - (ii) any reference therein (however worded and whether express or implied) to the Transferor Company were a reference to the Transferee Company;

- (d) every contract, agreement or instrument to which the Transferor Company is a party will become a contract, agreement or instrument between the Transferee Company and the counterparty with the same rights, and subject to the same obligations, liabilities and incidents, as would have been applicable thereto if that contract, agreement or instrument had continued to be in force between the Transferor Company and the counterparty, and any money due and owing (or payable) by or to the Transferor Company under or by virtue of any such contract, agreement or instrument shall become due and owing (or payable) by or to the Transferee Company instead of the Transferor Company; and
- (e) an offer or invitation to treat made to or by the Transferor Company before the Effective Date of Merger will be construed and have effect, respectively, as an offer or invitation to treat made to or by the Transferee Company.

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**JOINT EXPLANATORY REPORT
OF THE DIRECTORS OF THE MERGING COMPANIES**

30 October 2018

THE UNDERSIGNED, the boards of directors (collectively, the "**Boards**") of each of the following companies:

- (1) **SATISPAY EUROPE SA**, a public company incorporated under and governed by the laws of Luxembourg, having its registered office at 9, rue du Laboratoire, L-1911 Luxembourg, which is in the process of being registered in the Luxembourg Register of Commerce and Companies (the "**Transferee Company**"); and
- (2) **SATISPAY LIMITED**, a private limited company incorporated under and governed by the laws of England and Wales, having its registered office at 138 Holborn, 3 Waterhouse Square, London EC1N 2SW, United Kingdom, and as registered with the Registrar of Companies for England and Wales under number 09502116 (the "**Transferor Company**" and together with the Transferee Company, the "**Merging Companies**"),

hereby unanimously adopt the present joint directors' report explaining the common draft terms of the intended cross-border merger of the Merging Companies prepared by the Boards and annexed hereto (the "**Common Draft Terms of Merger**"), subject to and in accordance with article 1021-5 of the Act concerning commercial companies of 10 August 1915, as amended, of the Grand Duchy of Luxembourg (the "**Luxembourg Commercial Companies Act 1915**"), the Companies Act 2006, as amended, (the "**UK Companies Act**") and The Companies (Cross-Border Mergers) Regulations 2007, as amended, (the "**UK CBMR 2007**"), and collectively with the UK Companies Act, the "**UK Regulations**") of the United Kingdom.

This document has been prepared in accordance with Regulation 8 of the UK CBMR 2007, and will be made available at the registered office of the Transferor Company to its employees for a period beginning one month before and ending on the date of the first meeting of the members of the Transferor Company convened in accordance with Regulation 13 of the UK CBMR 2007 (the "**Shareholder Meeting**"). In accordance with Regulation 8(5) of the UK CBMR 2007, the directors of the Transferee Company will also deliver copies of this report to its employees not less than two months before the Shareholder Meeting.

WHEREAS:

- (A) The Transferor Company and the Transferee Company are wholly-owned direct subsidiaries of Satispay S.p.A., a public company (*società per azioni*) incorporated under and governed by the laws of Italy, having its registered office at Via Sasseti 32, 20124 Milano, Italy, and as registered with the Enterprise Register of the Italian Chambers of Commerce under number 10927360015 (the "**Parent Company**").
- (B) It is intended that as a result of the proposed merger, (i) the Transferee Company will acquire all assets and liabilities of the Transferor Company by operation of law under universal succession of title (the "**Merger**"); (ii) the Transferor Company will be dissolved without going into liquidation and cease to exist; and (iii) the Transferee Company will allot to the Parent Company 1,000,000 (one million) ordinary shares in consideration of the cancellation of

7,000,000 (seven million) ordinary shares held by the Parent Company in the Transferor Company.

NOW, IT IS HEREBY EXPLAINED in connection with the Merger:

1 OVERVIEW OF THE MERGING COMPANIES

1.1 Transferor Company

The Transferor Company is a fintech company and offers its customers an independent payment system that facilitates various mobile and physical payments, money exchange services and other related services. It is an electronic money institution authorised and regulated by the Financial Conduct Authority of the United Kingdom (the "FCA") under number 900559. By virtue of its authorisation, the Transferor Company is currently authorised to carry out electronic money services activities as an authorised electronic money institution under the Electronic Money Regulations 2011 of the United Kingdom. The Transferor Company currently employs 13 employees.

The issued share capital of the Transferor Company is seven million euros (EUR 7,000,000.00), divided into seven million (7,000,000) shares, with a nominal value of one euro (EUR 1.00) each.

1.2 Transferee Company

The Transferee Company has applied for an authorisation as an electronic money institution from the Luxembourg domestic financial regulatory authorities, the *Commission de Surveillance du Secteur Financier*, in order to become authorized to provide electronic money services and payment services under the Luxembourg Law of 10 November 2009 on payment services, as amended. The Transferee Company does not have any employees.

The issued share capital of the Transferee Company is one million euros (EUR 1,000,000.00), divided into one million (1,000,000) shares, with a nominal value of one euro (EUR 1.00) each.

2 ECONOMIC GROUNDS FOR MERGER

The Transferor Company currently operates in the European Union and is authorised by the FCA.

The Merger seeks to ensure that the business of the Transferor Company can continue to seamlessly operate as authorised electric money institution and passport its financial services in the European single market regardless of the outcome of the political negotiations regarding the United Kingdom's exit from the European Union. Consequently, the Parent Company aims to complete the Merger before the United Kingdom's official withdrawal from the European Union on 29 March 2019.

As part of the intended Merger, the Transferor Company's existing operations will be transferred to a newly-incorporated company in Luxembourg, the Transferee Company. After completing a due diligence process, the Boards have elected to shift the Transferor Company's operations to Luxembourg, as opposed to any other jurisdiction within the European Union, due to considerations such as the developed nature of Luxembourg's financial markets and fintech ecosystem, the existence of a well-respected market regulator and high level of customer legal protection, as well as its advantageous geographic position for expanding the business across new European countries.

3 LEGAL GROUNDS FOR MERGER

The Merger will be carried out as a cross border merger subject to and in accordance with the Luxembourg Commercial Companies Act 1915, the UK Companies Act the UK CBMR 2007.

In anticipation and in advance of the Merger, the Transferor Company will notify the FCA of its intention to enter into the Merger. An application will also be made to the FCA to surrender the Transferor Company's license prior the Effective Date of Merger (as hereinafter defined).

The Merger will take effect and shall be enforceable against third parties from the date of the publication in the Luxembourg Electronic Repository of Companies and Associations (RESA) of the minutes of the general meeting of the Transferee Company deciding to approve these Common Draft Terms of Merger and to merge the Merging Companies (the "Effective Date of Merger"). Accordingly, as at the Effective Date of Merger, *inter alia*, unless otherwise provided by applicable law:

- (a) all of the assets and liabilities of the Transferor Company will be transferred by universal succession of title to the Transferee Company;
- (b) any and all legal proceedings, if any, pending by or against the Transferor Company will be continued with the substitution of the Transferee Company for the Transferor Company as a party;
- (c) every contract, agreement, or instrument to which the Transferor Company is a party, notwithstanding anything to the contrary contained in that contract, agreement or instrument, shall be construed and have effect as if:
 - (i) the Transferee Company had been a party to it instead of the Transferor Company; and
 - (ii) any reference therein (however worded and whether express or implied) to the Transferor Company were a reference to the Transferee Company;
- (d) every contract, agreement or instrument to which the Transferor Company is a party will become a contract, agreement or instrument between the Transferee Company and the counterparty with the same rights, and subject to the same obligations, liabilities and incidents, as would have been applicable thereto if that contract, agreement or instrument had continued to be in force between the Transferor Company and the counterparty, and any money due and owing (or payable) by or to the Transferor Company under or by virtue of any such contract, agreement or instrument shall become due and owing (or payable) by or to the Transferee Company instead of the Transferor Company; and
- (e) an offer or invitation to treat made to or by the Transferor Company before the Effective Date of Merger will be construed and have effect, respectively, as an offer or invitation to treat made to or by the Transferee Company.

It is not expected that the Merger shall have significant practical implications on the existing relationships between the Transferor Company and third parties. Upon the Merger, the Transferee Company shall fully assume the obligations under these relationships. Any

proceedings initiated in or out of court by or against the Transferor Company will be continued by the Transferee Company as its own proceedings.

It is not expected that the Merger will entitle third parties to terminate any existing agreement and relationship with the Transferor Company or the Transferee Company. It is also not expected that any third party will be entitled to damages against either of the Merging Companies on the grounds of the Merger.

No amount or benefit has been granted, paid or given, nor is intended to be granted, paid or given to the independent expert referred to in the Luxembourg Commercial Companies Act 1915 and the UK CBMR 2007, if any, or to any director of each of the Merging Companies in connection with the Merger. The Merging Companies intend to seek shareholder approval under 1021-6 of the Luxembourg Commercial Companies Act 1915 and Rule 9(1)(c) of the UK CBMR 2007 to waive the requirement for an independent expert's report.

4 EFFECT ON CREDITORS

The Transferor Company does not intend to ask the Court for permission to convene a meeting of its creditors under Regulation 11 of the UK CBMR 2007. It does not believe that any such meeting is necessary, or that the Court should be concerned about the position of the creditors of the Transferor Company (or of the Transferee Company). Based on the most recent management accounts of the Transferor Company dated 31 August 2018 and management accounts of the Transferee Company dated 30 October 2018 (collectively, the "Accounts"), there has been no material adverse change to the financial position of either of the Merging Companies since the date of the Accounts.

Each of the Merging Companies is solvent and, as at the date of the relevant Accounts, was solvent and had net assets in excess of its liabilities and is anticipated to continue to be solvent and to have net assets in excess of its liabilities immediately prior to the Merger becoming effective. As at the date of this report, both the Transferor Company and the Transferee Company separately have no creditors and the Transferee Company is expected to continue to have no creditors as at the effective date of the Merger.

For the reasons set out in paragraph 12 above, the interests of creditors as a whole will not therefore be prejudiced as a result of the Merger, as the solvency of the Transferor Company and the Transferee Company will not be adversely impacted by the Merger, and existing creditors of the Transferor Company (if any) will have recourse to all of the assets of the Transferee Company, including the former assets of the Transferor Company, following the Merger becoming effective (subject to any encumbrances).

Pursuant to Article 1021-9 of the Luxembourg Commercial Companies Act 1915, notwithstanding any agreement to the contrary, within two months of the publication of the Common Draft Terms of Merger, the Merging Companies' creditors (if any) whose claims antedate the publication of these Common Draft Terms of Merger can apply to a competent Luxembourg court to order the provision of adequate safeguards for any matured or unmatured debts, where they can credibly demonstrate that due to the Merger the satisfaction of their claims is at risk and that no adequate safeguards have been obtained from the relevant Merging Company.

Pursuant to Regulation 11 of the UK CBMR 2007, any creditor of the Transferor Company (if any) may apply to the competent court in the United Kingdom for a court order directing that the Transferor Company convene a meeting of creditors (or a class of creditors) of the

Transferor Company to approve these Common Draft Terms of Merger. In accordance with Regulation 11(3) of the UK CBMR 2007, Section 323 of the UK Companies Act will apply with respect to the representation of corporations at a meeting of creditors. Pursuant to Regulation 14 of the UK CBMR 2007, if a meeting of creditors or a class of creditors is summoned under Regulation 11, these Common Draft Terms of Merger must be approved by a majority in number, representing 75% in value, of the creditors or class of creditors present and voting.

5 EFFECT ON EMPLOYEES

The Transferee Company currently has no employees. It is contemplated that before the Effective Date of Merger the Transferee Company will have hired one employee. The Merger is not expected to have any consequences on the employment of such employee, or any other employees eventually hired by the Transferee Company, following the Effective Date of Merger. No employee participation rights apply in relation to the Transferee Company (either before or after the merger) and there is no requirement to agree to standard rules of employee participation following the Merger.

It is anticipated that as a result of the Merger and the dissolution of the Transferor Company, all employee roles primarily based in the United Kingdom will be made redundant. In contemplation of this and in line with best practice in the United Kingdom, the Transferor Company will undertake an individual consultation process with each of the Transferor Company's employees. Transferor Company's employees will be provided with adequate information about the Merger and given sufficient time in which to consider and respond to any proposals put forward by the Merging Companies as regards their employment. In advance of the Merger, the Transferee Company or the Parent Company will also offer employment to all Transferor Company's employees. Such Offer of Employment shall stipulate that following the Effective Date of Merger, Transferor Company Employees who accept employment under either the Transferee Company or the Parent Company as the case may be ("**Accepting Employees**") will:

- (i) continue to be employed without interruption and have their continuous length of service preserved (to the extent permitted under local law);
- (ii) be employed under new contracts with substantially the same terms and conditions of employment currently in force under each employee's existing contracts with the Transferor Company, but subject to compliance with any and all legal requirements in Luxembourg or Italy respectively; and
- (iii) have their primary place of work in either Milan, Italy, or Luxembourg, respectively, subject to compliance with any applicable immigration laws.

As all Transferor Company's employees are currently not represented by any collective bargaining unit or subject to any bargaining agreement, if an offer by the Transferee Company or the Parent Company is accepted by an employee, such employees will not be represented by or subject to any similar arrangements in either Luxembourg or Italy unless required and regulated by local law.

Transferor Company's employees will not be compelled by any of the Merging Companies or the Parent Company to accept any offer of employment. If any Transferor Company's employees reject an offer of employment made by the Transferee Company or the Parent Company, they will be made redundant and will consequently be entitled to any statutory

redundancy payments due (to the extent applicable under applicable laws), as well as any other contractual entitlements on termination.

6 EFFECT ON SHAREHOLDERS

In consideration for the Merger, the Transferee Company will allot and allocate to the Parent Company 1,000,000 (one million) ordinary shares of the Transferee Company, credited as fully paid, with a nominal value of EUR 1.00 (one euro) each (the "**New Shares**"). As of the effective date of the Merger, the share capital of the Transferee Company will be increased by a total amount of EUR 1,000,000 (one million euros) consisting of one million shares, each with a nominal value of EUR 1.00 (one euro). The share exchange ratio is therefore 7:1 (seven to one).

The New Shares will rank *pari passu* in all respects with the shares of the Transferee Company in issue at the time of the effective date of the Merger, including with respect to rights as to voting, receipt and retention of dividends and other distributions declared, made or paid by reference to a record time falling on or after the Effective Date of the Merger. The allotment and allocation of the New Shares in the Transferee Company will be registered in the Transferee Company's share register.

There will be no cash payment made in connection with the Merger to any persons.

The Transferee Company has not issued any securities other than shares and its share capital is divided into ordinary shares only. There are no shares or other securities to which any special rights or restrictions attach.

7 MATERIAL INTERESTS OF THE MERGING COMPANIES' DIRECTORS

No amount or benefit has been granted, paid or given, nor is intended to be granted, paid or given to the Merging Companies' directors in connection with the Merger.

8 OTHER CHARACTERISTICS AND CONSEQUENCES OF THE MERGER

The business of the Transferor Company will be integrated into the business of the Transferee Company, including the following aspects:

8.1 Transfer of assets and liabilities

The business of the Transferor Company will be continued by the Transferee Company.

The Merger will have no adverse effects on the capital and results of the merged enterprises. The Merger may well improve the operating results of the Transferee Company, given the expected cost-effectiveness of activities undertaken by the Luxembourg-based operating company.

Internally, from an accounting point of view, the Transferor Company's assets will be acquired by the Transferee Company as of the beginning of 1 January 2019. This means that at the time the Merger comes into effect, internally, i.e. between the two limited Merging Companies, the effects of the Merger will apply retroactively as of the beginning of 1 January 2019. All transactions of the Transferor Company originating from the period from the beginning of 1 January 2019 to the date on which the Merger comes into effect will therefore be included in the Transferee Company's annual financial statements for the fiscal year 2019. Accordingly, the last financial year of the Transferor Company will end on 31 December 2018.

The Transferee Company will adopt the book values of the transferred assets of the Transferor Company and will carry such values forward unchanged in its financial accounting.

8.2 Valuation of assets and liabilities of the Transferor Company

For the purposes of establishing the conditions of the Merger, among other things, the management accounts of the Transferee Company dated 30 October 2018 and the management accounts of the Transferor Company dated 31 August 2018 were used.

The evaluation of the assets and liabilities of the Transferor Company to be transferred to the Transferee Company was performed, in principle, on the basis of the book value of such assets and liabilities as mentioned in the books of account of the Transferor Company on 31 December 2018.

The surplus amount corresponding to the difference between (i) the net book value of the assets and liabilities on 31 December 2018 to be transferred to the Transferee Company; and (ii) the aggregate nominal value of the New Shares will be allocated to the Transferee Company in a share premium account.

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IN THE HIGH COURT OF JUSTICE

CR-2018-009003

BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES

COMPANIES COURT (ChD)

**DEPUTY INSOLVENCY AND COMPANIES COURT JUDGE
BAISTER**

FRIDAY 9 NOVEMBER 2018

IN THE MATTER OF SATISPAY LIMITED

**AND IN THE MATTER OF THE COMPANIES (CROSS BORDER
MERGERS) REGULATIONS 2007**

ORDER



UPON THE APPLICATION by Part 8 Claim Form (the "**Claim Form**") of the above-named Satispay Limited (the "**Company**") whose registered office is at 138 Holborn, 3 Waterhouse Square, London

AND UPON HEARING Andrew Thornton, Counsel for the Company

AND UPON READING the Claim Form and the evidence

IT IS ORDERED that the Company has permission to convene a meeting of its sole member to consider and if thought fit approve a proposed cross-border merger between the Company and Satispay Europe SA., such meeting to be

convened and held in accordance with the provisions of the articles of association of the Company subject always to the terms of the above-mentioned Regulations

AND THE COURT HEREBY ADJOURNS the Claim Form to a date to be fixed and directs that the papers for the adjourned hearing be filed not later than 7 days before the date so fixed.



Company No.09502116

**Notice of Court Convened Meeting of
SATISPAY LIMITED**

("the Company")

138 Holborn, 3 Waterhouse Square
London EC1N 2SW United Kingdom

Notice is hereby given that a Meeting of the Company convened with the permission of the court will be held at 138 Holborn, 3 Waterhouse Square – London EC1N 2SW on 1st of February 2019 at 11.30 a.m. for the purpose of considering and, if thought fit, passing the following Resolution:

Resolution

- 1 That pursuant to Regulation 13 of The Companies (Cross-Border Mergers) Regulations 2007, the Common Terms of Merger (Annex A) prepared by the Company and Satispay Europe SA be and are here hereby approved.

By Order of the Board



Samuele Pinta

Director of the Company

Date: 14th of November 2018

ANNEX A

DRAFT TERMS OF MERGER / PROJET DE FUSION

THESE DRAFT TERMS OF MERGER (the "**Common Draft Terms of Merger**") are dated 30 October 2018 and drawn up by the board of directors (collectively, the "**Boards**"), respectively, of each of the following companies:

- (1) **SATISPAY EUROPE SA**, a public company incorporated under and governed by the laws of Luxembourg, having its registered office at 9, rue du Laboratoire, 1911 Luxembourg, Grand Duchy of Luxembourg, in process of being registered in the Luxembourg Register of Commerce and Companies (the "**Transferee Company**"); and
- (2) **SATISPAY LIMITED**, a private limited company incorporated under and governed by the laws of England and Wales, having its registered office at 138 Holborn, 3 Waterhouse Square, London EC1N 2SW, United Kingdom, and as registered with the Registrar of Companies for England and Wales under number 09502116 (the "**Transferor Company**" and together with the Transferee Company, the "**Merging Companies**").

WHEREAS:

- (A) The Transferor Company and the Transferee Company are wholly-owned direct subsidiaries of Satispay S.p.A., a public company (*società per azioni*) incorporated under and governed by the laws of Italy, having its registered office at Via Sassetti 32, 20124 Milano, Italy, and as registered with the Enterprise Register of the Italian Chambers of Commerce under number 10927360015 (the "**Parent Company**").
- (B) The Boards of the Transferee Company and the Transferor Company seek to ensure that the Transferor Company can continue to seamlessly operate as authorised electric money institution and passport its financial services in the European single market regardless of the outcome of the political negotiations regarding the United Kingdom's exit from the European Union.
- (C) Consequently, these Common Draft Terms of Merger have been prepared by the Boards in order to effectuate a cross-border merger by absorption between the Transferor Company and Transferee Company.
- (D) It is intended that as a result of the proposed merger, (i) the Transferee Company will acquire all assets and liabilities of the Transferor Company by operation of law under universal succession of title (the "**Merger**"); (ii) the Transferor Company will be dissolved without going into liquidation and cease to exist; and (iii) the Transferee Company will allot to the Parent Company 1,000,000 (one million) ordinary shares in consideration of the cancellation of 7,000,000 (seven million) ordinary shares held by the Parent Company in the Transferor Company.
- (E) The Merger will be implemented subject to and in compliance with the Act concerning commercial companies of 10 August 1915, as amended, of the Grand Duchy of Luxembourg (the "**Luxembourg Commercial Companies Act 1915**"), the Companies Act 2006, as amended, (the "**UK Companies Act**") and The Companies (Cross-Border Mergers) Regulations 2007, as amended, (the "**UK CBMR 2007**", and collectively with the UK Companies Act, the "**UK Regulations**") of the United Kingdom.

- (F) The Transferor Company is an Electronic Money Institution authorised and regulated by the Financial Conduct Authority of the United Kingdom (the "FCA") under number 900559. By virtue of its authorisation, the Transferor Company is currently authorised to carry out electronic money services activities as an Authorised Electronic Money Institution under the Electronic Money Regulations 2011 of the United Kingdom. In anticipation and in advance of the Merger, the Transferor Company intends to notify the FCA of its intention to enter into the Merger, which will become operational on the Effective Date of Merger (as defined below at 3.4) and intends to obtain necessary consents from clients in respect of whom client money is held, in compliance with regulatory requirements imposed by the FCA. An application will also be made to the FCA to surrender the Transferor Company's license prior the Effective Date of Merger.
- (G) The Transferee Company has applied for an authorisation as an electronic money institution from the Luxembourg domestic financial regulatory authorities, the *Commission de Surveillance du Secteur Financier*, in order to become authorized to provide electronic money services and payment services under the Luxembourg Law of 10 November 2009 on payment services, as amended.
- (H) Neither the Transferee Company nor the Transferor Company has been dissolved or is subject to any bankruptcy proceedings, suspension of payments, emergency measures or other insolvency proceedings in the United Kingdom or in Luxembourg.
- (I) For the avoidance of doubt, as at the date hereof, the shares in the Merging Companies are fully paid up and free and clear of all encumbrances, including pledges and charges, attachments and freezing injunctions.

NOW, IT IS HEREBY PROPOSED to adopt the following Common Draft Terms of Merger in connection with the Merger:

1 COMMON DRAFT TERMS OF CROSS-BORDER MERGER

1.1 Legal form, name and corporate seat/registered office of each of the Companies involved in the division

(Article 1021-1, paragraph (2), sub-paragraph 1° of the Luxembourg Commercial Companies Act 1915)

(Regulation 7, paragraph (2), sub-paragraph (a) of the UK CBMR 2007)

The Transferee Company is Satsipay Europe SA, a public company incorporated under and governed by the laws of Luxembourg, having its corporate seat/registered office at 9, rue du Laboratoire, 1911 Luxembourg, Grand Duchy of Luxembourg.

The Transferor Company is Satsipay Limited, a private limited company incorporated under and governed by the laws of England and Wales, having its registered office at 138 Holborn, 3 Waterhouse Square, London EC1N 2SW, United Kingdom.

1.2 Share exchange ratio and the amount of any cash payment

(Article 1021-1, paragraph (2), sub-paragraph 2° of the Luxembourg Commercial Companies Act 1915)

(Regulation 7, paragraph (2), sub-paragraph (b) of the UK CBMR 2007)

The Transferor Company currently has 7,000,000 (seven million) ordinary shares in issue, each with a nominal value of EUR 1.00 (one euro).

In connection with the Merger, the Transferor Company shall cease to exist and as a result all the shares in the Transferor Company will be cancelled.

In consideration for the Merger, the Transferee Company will allot and allocate to the Parent Company 1,000,000 (one million) ordinary shares of the Transferee Company, credited as fully paid, with a nominal value of EUR 1.00 (one euro) each (the "**New Shares**"). As of the Effective Date of Merger, the share capital of the Transferee Company will be increased by a total amount of EUR 1,000,000 (one million euros) consisting of one million (1,000,000) shares, each with a nominal value of EUR 1.00 (one euro).

The share exchange ratio is therefore 7:1 (seven to one).

There will be no cash payment made in connection with the Merger to any persons.

1.3 Terms relating to the allotment of shares or other securities in the Transferee Company

(Article 1021-1, paragraph (2), sub-paragraph 3° of the Luxembourg Commercial Companies Act 1915)

(Regulation 7, paragraph (2), sub-paragraph (c) of the UK CBMR 2007)

As a result of the Merger, all shares of the Transferor Company will be cancelled by operation of law and the Transferor Company will cease to exist as of the Effective Date of Merger. As of the Effective Date of Merger, the Transferee Company will allot and allocate, credited as fully paid, to the Parent Company 1,000,000 (one million) New Shares in consideration for the cancellation of all 7,000,000 (seven million) shares of the Transferor Company.

The New Shares will rank *pari passu* in all respects with the shares of the Transferee Company in issue at the time of the Effective Date of Merger, including with respect to rights as to voting, receipt and retention of dividends and other distributions declared, made or paid by reference to a record time falling on or after the Effective Date of Merger. The allotment and allocation of the New Shares in the Transferee Company will be registered in the Transferee Company's share register.

In this Merger, where:

- (i) the Transferee Company and the Transferor Company are wholly-owned direct subsidiaries of the Parent Company; and
- (ii) the Parent Company will be allotted the New Shares in consideration of the cancellation of all shares of the Transferor Company,

the exchange ratio is fair and reasonable as both of the Merging Companies are wholly-owned subsidiaries of the Parent Company.

Other than the ordinary shares of each of the Transferee Company and the Transferor Company which are currently in issue, there are no other securities in issue by either of the Merging Companies.

1.4 Date from which the holding of shares in the Transferee Company will entitle the holders to participate in profits and any special conditions affecting that entitlement

(Article 1021-1, paragraph (2), sub-paragraph 4° of the Luxembourg Commercial Companies Act 1915)

(Regulation 7, paragraph (2), sub-paragraph (e) of the UK CBMR 2007)

The New Shares will rank *pari passu* in all respects with the shares of the Transferee Company in issue at the time of the Effective Date of Merger and will entitle the Parent Company to participate in profits of the Transferee Company as of the day of allotment, which will be the Effective Date of Merger (see below).

There are no special conditions affecting the holders' entitlement to participate in profits in the Transferee Company.

1.5 Date from which the transactions of the Transferor Company are to be treated for accounting purposes as being those of the Transferee Company

(Article 1021-1, paragraph (2), sub-paragraph 5° of the Luxembourg Commercial Companies Act 1915)

(Regulation 7, paragraph (2), sub-paragraph (f) of the UK CBMR 2007)

The transactions of the Transferor Company are to be treated for accounting purposes as being those of the Transferee Company as of 1 January 2019. Accordingly, the last financial year of the Transferor Company will end on 31 December 2018.

1.6 Rights conferred by the Transferee Company on the holders of shares to which special rights are attached and the holders of securities other than shares, or the measures proposed concerning them

(Article 1021-1, paragraph (2), sub-paragraph 6° of the Luxembourg Commercial Companies Act 1915)

(Regulation 7, paragraph (2), sub-paragraph (g) of the UK CBMR 2007)

The Transferee Company has not issued any securities other than shares and its share capital is divided into ordinary shares only. There are no shares or other securities to which any special rights or restrictions attach.

Therefore, following completion of the Merger, the New Shares in the Transferee Company to be allotted and allocated to the Parent Company will rank *pari passu* in all respects with the shares of the Transferee Company in issue at the time of the Effective Date of Merger, including with respect to rights as to voting, receipt and retention of dividends and other distributions.

1.7 Any special advantage granted or amount or benefit paid or given or intended to be paid or given to experts and members of the administrative, management, supervisory or controlling bodies of the Merging Companies

(Article 1021-1, paragraph (2), sub-paragraph 7° of the Luxembourg Commercial Companies Act 1915)

(Regulation 7, paragraph (2), sub-paragraph (h) of the UK CBMR 2007)

No amount or benefit has been granted, paid or given, nor is intended to be granted, paid or given to the independent expert referred to in the Luxembourg Commercial Companies Act 1915 and the UK CBMR 2007, if any, or to any director of each of the Merging Companies in connection with the Merger. The Merging Companies intend to seek shareholder approval under article 1021-6 of the Luxembourg Commercial Companies Act 1915 and Rule 9(1)(c) of the UK CBMR 2007 to waive the requirement for an independent expert's report.

1.8 Articles of association of the Transferee Company

(Article 1021-1, paragraph (4), sub-paragraph 1" of the Luxembourg Commercial Companies Act 1915)

(Regulation 7, paragraph (2), sub-paragraph (i) of the UK CBMR 2007)

The current articles of association of the Transferee Company, drawn up in both French and English, are set out in Schedule 1 hereto.

Such articles will be amended and restated in connection with and at the occasion of the Merger in the form set out in Schedule 2 hereto.

1.9 Likely repercussions of the Merger for employees of each merging company

(Article 1021-1, paragraph (4), sub-paragraph 2" of the Luxembourg Commercial Companies Act 1915)

(Regulation 7, paragraph (2), sub-paragraph (d) of the UK CBMR 2007)

As at the date of these Common Draft Terms of Merger, the Transferee Company does not have any employees and the Transferor Company has 13 employees, all of whom are employed in the United Kingdom (the "**Transferor Company Employees**").

It is anticipated that as a result of the Merger and the dissolution of the Transferor Company, all employee roles primarily based in the United Kingdom will be made redundant. In contemplation of this and in line with best practice in the United Kingdom, the Transferor Company will undertake an individual consultation process with each of the Transferor Company Employees. Transferor Company Employees will be provided with adequate information about the Merger and given sufficient time in which to consider and respond to any proposals put forward by the Merging Companies as regards their employment.

In advance of the Merger, the Transferee Company or the Parent Company will also offer employment to all Transferor Company Employees (the "**Offer of Employment**"). Such Offer of Employment shall stipulate that following the Effective Date of Merger, Transferor Company Employees who accept employment under either the Transferee Company or the Parent Company as the case may be ("**Accepting Employees**") will:

- (i) Continue to be employed without interruption and have their continuous length of service preserved (to the extent permitted under local law);
- (ii) Be employed under new contracts with substantially the same terms and conditions of employment currently in force under each employee's existing contracts with the Transferor Company, but subject to compliance with any and all legal requirements in Luxembourg or Italy respectively; and

- (iii) Have their primary place of work in either Milan, Italy, or Luxembourg, respectively, subject to compliance with any applicable immigration laws.

As all Transferor Company Employees are currently not represented by any collective bargaining unit or subject to any bargaining agreement, Accepting Employees will not be represented by or subject to any similar arrangements in either Luxembourg or Italy unless required and regulated by local law.

Transferor Company Employees will not be compelled by any of the Merging Companies or the Parent Company to accept any Offer of Employment. If any Transferor Company Employees reject an Offer of Employment, they will be made redundant and will consequently be entitled to any statutory redundancy payments due (to the extent applicable under applicable laws), as well as any other contractual entitlements on termination.

It is contemplated that before the Effective Date of Merger, the Transferee Company will have hired one employee. The Merger is not expected to have any consequences on employment of such employee, or any other employees eventually hired by the Transferee Company, following the Effective Date of Merger.

1.10 Information on the procedures by which arrangements for the involvement of employees in the definition of their rights to participation in the Transferee Company are to be determined

(Article 1021-1, paragraph (4), sub-paragraph 3° of the Luxembourg Commercial Companies Act 1915)

(Regulation 7, paragraph (2), sub-paragraph (j) of the UK CBMR 2007)

Under Luxembourg law, no employee participation rights apply in relation to the Transferee Company (either before or after the merger) and there is no requirement to agree to standard rules of employee participation following the Merger. In the absence of any employees, the Transferee Company cannot establish a special negotiating body.

The Transferor Company does not currently have a system of employee participation (as such term is defined in the UK CBMR 2007) and is not required to make arrangements for the participation of employees pursuant to Part 4 of the UK CBMR 2007.

1.11 Information on the evaluation of the assets and liabilities to be transferred to the Transferee Company

(Article 1021-1, paragraph (4), sub-paragraph 4° of the Luxembourg Commercial Companies Act 1915)

(Regulation 7, paragraph (2), sub-paragraph (k) of the UK CBMR 2007)

The evaluation of the assets and liabilities of the Transferor Company to be transferred to the Transferee Company shall be performed, in principle, on the basis of the book value of such assets and liabilities as mentioned in the books of account of the Transferor Company on 31 December 2018.

The surplus amount corresponding to the difference between (i) the net book value of the assets and liabilities to be transferred to the Transferee Company; and (ii) the aggregate

nominal value of the New Shares will be allocated to the Transferee Company in a share premium account.

1.12 Dates of the accounts of the Merging Companies which were used to establish the conditions of the Merger

(Article 1021-1, paragraph (4), sub-paragraph 5° of the Luxembourg Commercial Companies Act 1915)

(Regulation 7, paragraph (2), sub-paragraph (I) of the UK CBMR 2007)

For the purposes of establishing the conditions of the Merger, among other things, the management accounts of the Transferee Company dated 30 October 2018 and the management accounts of the Transferor Company dated 31 August 2018 were used.

2 CREDITORS' RIGHTS

2.1 Luxembourg law

Pursuant to Article 1021-9 of the Luxembourg Commercial Companies Act 1915, notwithstanding any agreement to the contrary, within two months of the publication of the resolutions to approve these Common Draft Terms of Merger and to merge the Merging Companies, the Merging Companies' creditors whose claims antedate the publication of these Common Draft Terms of Merger can apply to a competent Luxembourg court to order the provision of adequate safeguards for any matured or unmatured debts, where they can credibly demonstrate that due to the Merger the satisfaction of their claims is at risk and that no adequate safeguards have been obtained from the relevant Merging Company.

2.2 English law

Pursuant to Regulation 11 of the UK CBMR 2007, any creditor of the Transferor Company (if any) may apply to the competent court in the United Kingdom for a court order directing that the Transferor Company convene a meeting of creditors (or a class of creditors) of the Transferor Company to approve these Common Draft Terms of Merger. In accordance with Regulation 11(3) of the UK CBMR 2007, Section 323 of the UK Companies Act will apply with respect to the representation of corporations at a meeting of creditors. Pursuant to Regulation 14 of the UK CBMR 2007, if a meeting of creditors or a class of creditors is summoned under Regulation 11, these Common Draft Terms of Merger must be approved by a majority in number, representing 75% in value, of the creditors or class of creditors present and voting.

Further, the competent court in the United Kingdom will take into account the impact of a proposed cross-border merger on the creditors of the Transferor Company (if any), when assessing how to exercise its discretion under Regulation 6 of the UK CBMR 2007 to provide an order certifying that the Transferor Company has completed properly the pre-merger acts and formalities for the cross-border merger (the "UK Pre-merger Certificate").

2.3 Further information

Interested parties can obtain, at the registered offices of the Merging Companies, the addresses of which are mentioned above, complete information on the arrangements under these Common Draft Terms of Merger, Luxembourg law and English law for the exercise of

rights of creditors of the Merging Companies in relation to the proposed Merger, but only to the extent the provision of such information is required by applicable law.

In particular, the Boards of the Merging Companies have prepared a joint directors' report in accordance with requirements under Article 1021-5 of the Luxembourg Commercial Companies Act 1915 and Regulation 8 of the UK CBMR 2007. This will be made available at the registered offices of the Transferor Company to its employees for a period beginning one month before and ending on the date of the first meeting of the members of the Transferor Company convened in accordance with Regulation 13 of the UK CBMR 2007.

3 MISCELLANEOUS

3.1 Definitions and interpretation

Words and expressions used but not otherwise defined in these Common Draft Terms of Merger shall have the meanings ascribed thereto in the UK Regulations and the rules of interpretation set out in the UK Regulations are hereby incorporated by reference and repeated as if set out in these Common Draft Terms of Merger.

3.2 Schedules

The Schedules hereto form an integral part of these Common Draft Terms of Merger.

3.3 English to prevail

These Common Draft Terms of Merger are drawn up in both English and French. In case of any discrepancy between the English version and the French version, the English version will prevail.

3.4 Coming into effect of the Merger

The proposed Merger shall take effect and shall be enforceable against third parties from the date of the publication in the Luxembourg Electronic Repository of Companies and Associations (RESA) of the minutes of the general meeting of the Transferee Company deciding to approve these Common Draft Terms of Merger and to merge the Merging Companies (the "**Effective Date of Merger**"). Accordingly, as at the Effective Date of Merger, *inter alia*, unless otherwise provided by applicable law:

- (a) all of the assets and liabilities of the Transferor Company will be transferred by universal succession of title to the Transferee Company;
- (b) any and all legal proceedings, if any, pending by or against the Transferor Company will be continued with the substitution of the Transferee Company for the Transferor Company as a party;
- (c) every contract, agreement, or instrument to which the Transferor Company is a party, notwithstanding anything to the contrary contained in that contract, agreement or instrument, shall be construed and have effect as if:
 - (i) the Transferee Company had been a party to it instead of the Transferor Company; and
 - (ii) any reference therein (however worded and whether express or implied) to the Transferor Company were a reference to the Transferee Company;

- (d) every contract, agreement or instrument to which the Transferor Company is a party will become a contract, agreement or instrument between the Transferee Company and the counterparty with the same rights, and subject to the same obligations, liabilities and incidents, as would have been applicable thereto if that contract, agreement or instrument had continued to be in force between the Transferor Company and the counterparty, and any money due and owing (or payable) by or to the Transferor Company under or by virtue of any such contract, agreement or instrument shall become due and owing (or payable) by or to the Transferee Company instead of the Transferor Company; and
- (e) an offer or invitation to treat made to or by the Transferor Company before the Effective Date of Merger will be construed and have effect, respectively, as an offer or invitation to treat made to or by the Transferee Company.

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