

RULES FOR THE “MARKET WARRANT AQUAFIL S.P.A.” WARRANTS

1. DEFINITIONS

1.1 In these Rules, the following terms shall have the meanings thereto ascribed in the definitions set forth below. The definitions of terms in the singular shall also apply to the same in the plural, and vice versa.

- **“Shares”**: means the ordinary shares of the Company (as defined hereunder), without par value, for which the Company admitted to trading on the MTA (as defined hereunder), STAR segment, starting from December 4, 2017.
- **“Conversion Shares”**: means the maximum number of 2,034,885 Shares originating from the Company’s capital increase without options pursuant to Article 2441, paragraph 5, of the Italian Civil Code, approved by the Company’s extraordinary Shareholders’ Meeting on December 23, 2016, in service of the exercise of the “*Market Warrant Aquafil S.p.A.*” warrants, according to the terms and conditions set out in these Rules, with the same dividend rights as the Shares already in issue.
- **“Acceleration Notice”**: means the notice whereby the Company informs the holders of the Warrants (as defined hereunder) that the Monthly Average Price (as defined hereunder) is equal to or greater than the Acceleration Price (as defined hereunder).
- **“Exchange Trading Day”**: means a day on which the Italian exchange is open for business according to the Borsa Italiana S.p.A. trading calendar.
- **“MIV”**: means the Mercato Telematico degli Investment Vehicles organized and managed by Borsa Italiana S.p.A.
- **“MTA”**: means the Mercato Telematico Azionario organized and managed by Borsa Italiana S.p.A.
- **“Exercise Period”**: means each calendar month during the Reference Period (as defined hereunder), it being understood that the first Exercise Period shall commence on the third Exchange Trading Day of the second calendar month after December 4, 2017.
- **“Reference Period”**: means, in a manner compatible with the Borsa Italiana S.p.A. calendar, the period between the third Exchange Trading Day of the second calendar month after December 4, 2017 and the Expiration Date (as defined hereunder).
- **“Suspension Period”**: has the meaning ascribed to it in Article 3.12 of these Rules.

- “**Acceleration Price**”: means the price of reference for the purposes of the occurrence of the event subject to the Acceleration Notice, i.e., €13 per Share.
- “**Monthly Average Price**”: means the arithmetic average of the Daily Official Prices (as defined hereunder) observed during each Exercise Period.
- “**Subscription Price**”: means the price for which the holders of the Warrants may subscribe for the Conversion Shares, as determined in Article 3.2 hereunder.
- “**Strike Price**”: means the price of reference for the purposes of the ability to exercise the Warrants in accordance with these Rules, i.e., €9.5 per Share.
- “**Daily Official Price**”: means the weighted average price of all Shares traded on the MTA during the daily session.
- “**Exercise Ratio**”: means the exercise ratio used to determine the number of Conversion Shares assigned when each Warrant is exercised.
- “**De-merger**”: means the partial, proportional de-merger of Space2 (as defined hereunder) for the benefit of the Company, according to the terms and conditions of the de-merger approved by the Shareholders’ Meeting of the Company on December 23, 2016.
- “**Company**”: means (i) Space3 S.p.A., with registered office in Milan, Via Mauro Macchi 27, share capital of €50,000, divided into 5,000 shares, registration number in the Milan Companies Register, tax code and VAT number 09652170961; or, where appropriate, (ii) with reference to the period after December 4, 2017 (effective date of the merger by incorporation of Aquafil S.p.A. in Space3 S.p.A., following which the latter changed its company name to "Aquafil S.p.A."), Aquafil S.p.A. with registered office in Arco (TN), via Linfano n. 9, registration number with the Trento Companies Register, tax code and VAT number 09652170961.
- “**Space2**”: means Space2 S.p.A. with registered office in Milan, Via Mauro Macchi 27, Milan Companies Register number, tax code and VAT number 09105940960.
- “**Expiration Date**”: means the first of the following dates in chronological order: (i) the first Exchange Trading Day five years after December 4, 2017 and (ii) the first Exchange Trading Day 60 calendar days after the date of publication of the Acceleration Notice.
- “**Warrants**”: means the maximum of 7,500,000 “*Market Warrant Aquafil S.p.A.*” warrants governed by these Rules, the issue of which was approved by the Company’s Shareholders’ Meeting on December 23, 2016 within the framework of the De-merger, to be issued in accordance with Article 2.2 below, admitted to trading on the MTA, STAR segment, starting from December 4, 2017.

2. CHARACTERISTICS OF THE WARRANTS

- 2.1 The Company's extraordinary Shareholders' Meeting, during its session of December 23, 2016, approved, *inter alia*, a capital increase without options pursuant to Article 2441, paragraph 5, of the Italian Civil Code, in one or more tranches, up to €203,488.50, through the issue of a maximum of 2,034,885 ordinary shares without par value, in service of the exercise of the Warrants approved for issue by the Shareholders' Meeting during that same session within the framework of the De-merger.
- 2.2 The De-merger was executed by assigning the shareholders and holders of the warrants issued by Space2 ordinary shares, special shares, Warrants and "*Sponsor Warrant Space3 S.p.A.*" warrants and by cancelling the financial instruments (ordinary shares, special shares, "*Market Warrant Space2 S.p.A.*" warrants and "*Sponsor Warrant Space2 S.p.A.*" warrants) issued by Space2. The Warrants were assigned according to the following ratio: one (1) cancelled "*Market Warrant Space2 S.p.A.*" warrant and one (1) new Warrant assigned per each two (2) pre-De-merger "*Market Warrant Space2 S.p.A.*" warrants.
- 2.3 More specifically: (i) 3,750,000 Warrants began to be traded on the MIV separately from the Shares on the date of commencement of trading of the Shares on the MIV; whereas (ii) the right to receive an additional maximum 3,750,000 Warrants, to be assigned one per every four Shares, incorporated in, and circulated with the Shares until December 4, 2017. On that date, the additional Warrants were issued and began to trade separately from the Shares on MTA, together with Warrant according to the provisions of points (i) that precedes. The Warrants assigned according to the provisions of points (i) and (ii) above are identified by the same ISIN and are fully fungible, including for the purposes of these Rules. In the interest of clarity, it should be noted that the assignment of the Warrants indicated under point (ii) shall under no circumstances be considered an extraordinary transaction as defined in Article 6 below.
- 2.4 The Warrants shall be subject to the dematerialization scheme pursuant to Articles 83-*bis et seq.* of Legislative Decree No. 58/98, as amended from time to time, and shall be admitted to the centralized management system of Monte Titoli S.p.A. They shall be freely transferable by entry into the accounts held with Monte Titoli S.p.A.

3. TERMS AND CONDITIONS OF EXERCISE

Conditions of exercise of the Warrants and determination of the Exercise Ratio

- 3.1 During the reference period, the holders of the Warrants may decide to exercise them at any time, in whole or in part, by applying to subscribe for Conversion Shares at the Subscription Price, provided that the Monthly Average Price observed with reference to each Exercise Period is greater than the Strike Price.

- 3.2 The Subscription Price shall be equal to the book value of issue, set by the General Shareholders' Meeting of the Company at €0.10 per each Conversion Share on December 23, 2016.
- 3.3 Upon the exercise of the Warrants, the holders of the Warrants shall be assigned Conversion Shares according to the Exercise Ratio calculated on the basis of the following formula:

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

$$\text{Monthly Average Price} - \text{Subscription Price}$$

- 3.4 If the Monthly Average price is equal to or greater than the Acceleration Price, in the formula indicated in Article 3.3 above the Monthly Average Price shall be understood to be replaced by the Acceleration Price.

Conditions of exercise of the Warrants

- 3.5 During the Reference Period, in each Exercise Period the Warrants may be exercised, in whole or in part, in return for the assignment of a number of Conversion Shares determined on the basis of the Exercise Ratio calculated with reference to the Monthly Average Price observed during the previous Exercise Period and circulated by the Company in accordance with Articles 3.5 and 3.6 below.
- 3.6 In accordance with Article 3.3 above, the first Exercise Ratio shall be calculated on the basis of the Monthly Average Price observed during the calendar month after December 4, 2017 and shall be circulated by the Company without delay and, in any event, by the second Exchange Trading Day of the second calendar month after December 4, 2017.
- 3.7 Each Exercise Ratio after the first shall be determined, in accordance with Article 3.3 above, on the basis of the Monthly Average Price observed with reference to the previous Exercise Period and shall be circulated by the Company without delay, and, in any event, by the second Exchange Trading Day after the end of the Exercise Period of reference.
- 3.8 Applications for the exercise of the Warrants shall be submitted to the intermediary participating in the centralized management system of Monte Titoli S.p.A. with which the Warrants are on deposit by the final Exchange Trading Day of each Exercise Period. The related Conversion Shares must be made available for trading by the tenth Exchange Trading Day of the Exercise Period after that in which the application for exercise is submitted.

- 3.9 The Subscription Price shall be paid in full upon the submission of the application for exercise, without any additional fees and expenses for the holders of the Warrants, to the Company's current account, to be indicated in the notices that the Company is to send pursuant to Articles 3.6 and 3.7 above.
- 3.10 In all cases in which, as a result of these Rules, the exercise of Warrants results in a fractional number of Conversion Shares, the holder of the Warrants in question shall be entitled to receive Conversion Shares rounded down to the next whole number and may not lay any claim to the additional fractional portion.
- 3.11 Upon the submission of an application for exercise, the holder of the Warrants shall acknowledge that the Conversion Shares assigned in exercise of the Warrants have not been registered pursuant to the United States Securities Act of 1933, as amended.
- 3.12 The Exercise Period shall automatically be suspended from the day after (included) the day on which the Board of Directors convenes the Shareholders' Meeting of the Company until the day (included) when the session of the Shareholders' Meeting is held, in first or subsequent call. If the Board of Directors resolves to propose the distribution of dividends, the exercise of the Warrants shall be suspended from the day after (included) the date on which the Board of Directors passes such a resolution, until the day before (included) the ex-dividend date for any dividends approved by the Shareholders' Meeting (each of the above periods is a "**Suspension Period**").

4. ACCELERATION OF EXERCISE

- 4.1 If the Monthly Average Price observed with reference to an Exercise Period is equal to or greater than the Acceleration Price, the Company shall publish the Acceleration Notice and the Exercise Ratio determined in accordance with this Article 3.4 above without delay and, in any event, by the second Exchange Trading Day after the end of the Exercise Period concerned.
- 4.2 Following the publication of the Acceleration Notice, applications for the exercise of the Warrants shall be submitted to the intermediary, in the manner indicated in Article 3 above, on pain of cancellation of the Warrants, by the end of the first Exchange Trading Day after the end of a period of 60 calendar days from the date of publication of the Acceleration Notice.
- 4.3 If the Acceleration Notice is published during a Suspension Period, the Expiration Date set out in Article 4.2 above shall be calculated from the first Exchange Trading Day after the final day of the Suspension Period.

5. EXPIRATION DATE AND CANCELLATION OF THE WARRANTS

- 5.1 Warrants not exercised by the Expiration Date shall be considered cancelled and thus

invalid for all intents and purposes.

If the Expiration Date falls during a Suspension Period, calculation of the Expiration Date shall automatically be suspended starting on the first day of the Suspension Period and shall resume — for a number of days equal to the residual duration of the Reference Period — from the first Exchange Trading Day after the final day of the Suspension Period.

6. ADJUSTMENTS DUE TO CORPORATE ACTIONS BY THE COMPANY

6.1 If, prior to the Expiration Date, the Company approves or executes:

- 1) rights issues involving the issue of options to subscribe for new Shares, including in service of other warrants valid for the subscription of Shares, convertible bonds or bonds-cum-warrants, the Strike Price shall be reduced by an amount, rounded down to the next thousandth of a euro, equal to $(P_{cum} - P_{ex})$, where: “*P_{cum}*” represents the simple arithmetic average of the last five Daily Official Prices recorded on the MTA on which the Shares are traded “*cum rights*”, and “*P_{ex}*” represents the simple arithmetic average of the first five Daily Official Prices recorded on the MTA on which the Shares are traded “*ex rights*”. The Exchange Ratio shall be increased accordingly;
- 2) capital increases involving the issue of Shares without options, pursuant to Article 2441, paragraphs 4, 5, 6 and 8, of the Italian Civil Code, the Strike Price and Exercise Ratio shall not be modified;
- 3) bonus issues involving the assignment of new Shares, the Strike Price shall be decreased and the Exercise Ratio shall be increased accordingly;
- 4) reductions of capital due to losses through the cancellation of Shares (other than those held by the Company, if any), the Strike Price shall be increased and the Exercise Ratio decreased accordingly;
- 5) bonus issues without the issue of new Shares or reductions of capital without the cancellation of Shares, the Strike Price and Exercise Ratio shall not be modified;
- 6) mergers or de-mergers in which the Company is not the surviving company or beneficiary, respectively, the Exercise Ratio and Strike Price shall be modified accordingly on the basis of the respective exchange or assignment ratios.

6.2 If the Strike Price is modified in application of this Article, the Acceleration Price shall be adjusted accordingly by applying similar criteria.

6.3 In the event of the execution of another transaction, other than those set out in Article 6.1 above, capable of having similar effects, or in the event of a corporate action by the Company (including, without limitation, those set out in Article 6.1

above), that may result in significant effects on the terms and conditions of exercise of the Warrants, the Company's Board of Directors may amend or supplement these Rules as it deems necessary or appropriate to maintain unchanged, to the fullest possible extent, the essential content and aims of these Rules, including adjustments to the Exercise Ratio and/or Acceleration Price.

7. NOTICES

- 7.1 The Company shall dispatch the notices mandated by these Rules to the holders of the Warrants by publishing them on the Company's website and using any additional methods prescribed by the laws and/or regulations applicable from time to time.

8. MISCELLANEOUS

- 8.1 Possession of the Warrants shall entail full acceptance of all of the terms and conditions set out in these Rules.
- 8.2 Without prejudice to the provisions of Article 6.3 above, the Company's governing body may, at any time, amend these Rules as necessary or appropriate solely in order to: (i) bring these Rules into compliance with applicable legislation and any amendments thereof; and (ii) take due account of any recommendations or observations by the competent regulatory, control or supervisory authorities. In such cases, the Company shall give notice of the amendments applied in the manner set out in Article 7 above.
- 8.3 These Rules shall be governed by the laws of Italy.
- 8.4 The Court of Milan shall have exclusive jurisdiction over any disagreements and disputes that may arise in respect of these Rules.