

August 30, 2016

To:

Carrara Holding S.r.l.

Piazza Dei Martiri 1943-1945, 5

Bologna

by certified e-mail: carraraholding@legalmail.it

C.C.

Mr Notaio Caccetta

acaccetta@notaiocaccetta.it

e

Mr. Marco Filippeschi

mfilippeschi@gmail.com

- Strictly private and confidential -

Re: binding offer for the acquisition of 100% of the corporate capital of AC Pisa 1909 S.r.l.

Dear Sirs,

We make reference to our previous contacts and correspondence related to the acquisition of the entire corporate capital of AC Pisa 1909 S.r.l. - a sport limited liability company incorporated under the Law of Italy, with registered office at Via Umberto Forti no. 18, Pisa (Italy), number of registration at the Company Register of Pisa, Fiscal Code and VAT 01932490509 (the **AC Pisa** or the **Company**) – fully owned by Carrara Holding S.r.l. (the **Seller**) and conducting, as main business, the activities of the game of football through a football club characterised by the same trade name of the Company (the **Business**).



Following our recent discussions, we are pleased to confirm our interest and commitment to perform the above mentioned transaction and submit to your attention our binding offer for the acquisition of the entire corporate capital of the Company at the terms and conditions set forth herein below (the **Proposed Transaction**), it being understood that any assumptions, conditions, evaluation, economic and/or technical proposal may change as a consequence of the result of a full Due Diligence, as defined below (the **Binding Offer**).

1. **Equitativa Group**

Equitativa Holding Foundation is a large financial group, which owns several Middle East based asset manager managing over USD 1.2 billion in assets. It is the owner of a wealth manager based in the UAE, the founder of several innovative funds in different markets, including the first Real Estate Investment Trust (REIT) in Morocco and UAE as well as the only Exchange Traded Fund in UAE.

Equitativa Real Estate Limited ("**Equitativa**") is leading a sports private equity fund ("**Sportativa**") which invests in football clubs and franchises.

2. **Scope of the Proposed Transaction**

The Proposed Transaction concerns the acquisition of the quota representing 100% of the corporate capital of the AC Pisa (the **Quota**), fully owned by the Seller, and free and clear from any encumbrances, on the assumption that the Company is duly and validly enrolled in the "*Lega Nazionale Professionisti di Serie B*" for the Italian League 2016-2017.

Equitativa reserves the right to perform the Proposed Transaction directly or indirectly, through a special purpose vehicle controlled by or a dedicated fund as Sportativa (the **Potential Purchaser**).

3. **Strategy**

Taking into consideration the extraordinary progress made by AC Pisa in the past seasons and the high international standing of Equitativa, the Potential Purchaser is convinced to be the best partner of AC Pisa, able to guarantee a further growth of the soccer club and strengthen and consolidate the leadership of the latter in the "*Lega Nazionale Professionisti di Serie B*".

Equitativa believes that the Company represents an important growth opportunity, in line with Equitativa strategies, expertise and track record.

4. **Purchase Price**

The full consideration for the purchase of the Quota, free and clear from any encumbrance, will be equal to Euro 5,500,000.00 (five million five hundred thousand), on the assumption that the Company is not insolvent pursuant to the applicable laws and regulations and is not under any of the circumstances set

forth in article 2446 of the Italian Civil Code.

Further, we acknowledge that, by separate agreements, the Seller:

- will benefit from the waiver of his credit by Mr. Lucchesi up to an amount of Euro 400,000.00 (four hundred thousand); and
- will be paid additionally euro 300,000.00 (three hundred thousand) by third parties supporters of the Pisa Calcio who autonomously and for the benefit of the championship have decided to contribute to the success of the Proposed Transaction, bearing part of its costs.

5. Conditions and approvals

5.1 This Binding Offer, the undertaking of the Potential Purchaser to complete the Proposed Transaction and the purchase price indicated under Section 4 above are based on the following assumptions and conditions:

- a. satisfactory outcome – at the Potential Purchaser's sole discretion - of the Due Diligence (as defined below);
- b. the Company being duly and validly enrolled in the "*Lega Nazionale Professionisti di Serie B*" for the Italian League 2016-2017, having satisfied all the conditions and fulfilled all the obligations provided and/or otherwise required to be satisfied or fulfilled (as the case may be) by the applicable laws and regulations of any nature whatsoever and that such enrolment and conditions continue to remain in effect following the completion of the Proposed Transaction;
- c. the Company having full and marketable ownership, free and clear from any encumbrances, of all the trademarks, trade names, corporate names, domain names and other intangible rights, whether registered or not, used for the operation of, or used in connection with, the Business of the Company as currently conducted (the **Company's IP**);
- d. the Company having full and marketable ownership of all the TV rights used for the operation of, or used in connection with, the Business of the Company as currently conducted (the **TV Rights**);
- e. all licences, Company's IP, TV Rights, concessions, permits and/or authorisations owned or used in connection with the Business of the Company, including those concerning the stadium of Pisa, remaining in full force and effect following the completion of the Proposed Transaction;
- f. all contracts, agreements, deeds and/or rights of any nature whatsoever necessary, required or otherwise connected with the Business of the Company as currently conducted (including, without limitation, agreements with football players, the coach, sponsors, technical and medical staff, suppliers, merchandising and advertising contracts, rights on the so called "*cartellin*", etc.) remaining in full force and effect following the completion of

the Proposed Transaction;

- g. no material adverse change (i.e. a significant negative change in the financial conditions of the Company which may negative affect the Business of AC Pisa) having occurred between the date hereof and the signing of the SPA and the date of completion of the Possible Transaction;
- h. the corporate capital of the Company being fully subscribed and paid in.

6. Due Diligence

The Potential Purchaser expects to conduct, directly and with the cooperation of its advisors, a full and complete due diligence investigation on tax, legal, administrative, commercial, financial and labour issues related to the Company and its business (the **Due Diligence**).

After acceptance, if any, of this Binding Offer pursuant to Section 10 below, the Potential Purchaser shall deliver to the Seller a Due Diligence check-list with the aim at completing the investigation process within 15 (fifteen) working days from the setting up of a complete data room, assuming a full cooperation of the Seller and of the Company's management.

7. Sale and Purchase Agreement

Between the acceptance hereof and as a condition for the completion of the Proposed Transaction, the Parties will enter into a sale and purchase agreement (the "**SPA**") to be negotiated in good faith which will reflect the terms and the conditions of this Binding Offer and, among others, will contain the following additional provisions:

- (a) a set of conditions precedent which will include, among the other, those set forth under Paragraph 5.1;
- (b) a set of representations and warranties granted by the Potential Purchaser, customary for this kind of transaction, such as: *(i)* power and authorizations to sign the SPA and execute the Proposed Transaction and *(ii)* good standing;
- (c) a set of full representations and warranties granted by the Seller, customary for this kind of transaction, at least and without limitations, on the following matters: *(i)* power and authorizations to sign the SPA and execute the Proposed Transaction, *(ii)* good standing of the Seller, *(iii)* title on the Quota, *(iv)* existence, good standing and free transferability of the Quota, *(v)* existence, validity and enforceability of all the permits, concessions, licenses, authorisations, registration necessary or required to conduct the Business as currently conducted, even following the completion of the Proposed Transaction *(vi)* existence and validity, even following the completion of the Proposed Transaction, of any guarantee of any nature whatsoever granted by the Company in order to conduct the Business as currently conducted, *(vii)* labour, including existence, validity, and enforceability, even after the completion of the Proposed Transaction, of the agreements in force with the

football players (including but not limited to the so called "*cartellin*") and the football team, *(viii)* tax, *(ix)* existence, validity, and enforceability, even after the completion of the Proposed Transaction, of all the agreements currently in force in connection with the Business, including the agreement with the sponsors, *(x)* corporate books and accounting records (such as, *inter alia*, the fact that they have been properly kept in accordance with all applicable laws and regulations, are up-to-date and contain true, complete and accurate details of the business), *(xi)* financial statement (such as, *inter alia*, compliance with the applicable laws and regulations and the applicable accounting principles, true and correct view of the assets, liabilities, net worth, revenues, expenses, cash flows and results of the operations of the Company as of the reference date, disclosure of all liabilities - whether actual or contingent - all outstanding capital commitments and all bad or doubtful debts of the Company as of the reference date, lack of liabilities of any kind whatsoever - whether accrued, actual, or contingent - other than those resulting from the financial statement), *(xii)* receivables (such as, *inter alia*, the fact that the receivables are existing, collectable and arose from valid and effective agreements), *(xiii)* litigation (such as, *inter alia*, the fact that there are no litigations, arbitrations or other proceedings of any kind that are threatened in writing or pending in which the Company is a party);

(d) an indemnity obligation clause regulating at least the following:

- duration of the indemnity obligation: 24 (twenty-four) months from the completion of the Proposed Transaction for the representation and warranties set forth in Subparagraph (c) above, it being understood that the indemnity obligations related to the representations and warranties set forth under points (iii), (iv), (vii) and (viii) shall survive until the expiration of the relevant respective statute of limitations, plus 30 (thirty) days;
- Cap: equal to the final purchase price determined according to Section 4 Above, except for the indemnity obligation arising from the breach of the representations and warranties set forth under Subparagraph (c), points (vii) and (viii) above and for the case of wilful misconduct and gross negligence;
- customary provisions regulating the procedure for the definition of any direct or third party claim;
- any facts and/or circumstances disclosed during the Due Diligence shall not represent exceptions to the liability and/or indemnity obligation of the Seller.

The Seller and the Potential Purchaser will further agree in the context of the SPA on appropriate mechanism to guarantee the payment of the purchase price.

8. Funding

The Potential Purchaser will fund the Proposed Transaction with equity and no financing will be needed.

9. The SPA will govern any appropriate guarantee for the benefit of the Seller.
Interim Management

In case of acceptance of this Binding Offer according to Section 10 below, the Seller shall immediately grant all the powers to manage the Company between the date hereof and the completion of the Proposed Transaction to a management committee composed as indicated below (the "**Management Committee**") by virtue of special powers of attorneys to be issued before a notary public and duly registered at the competent Register of Companies.

The Management Committee shall be composed of:

Mr. Pablo Dana

Mr. Abdul Wahab Al Halabi

Ms. Isabella Pedroni

The Potential Purchaser may require at any time any changes in the composition of the Management Committee and the Seller agrees to perform any instruction received in such respect.

10. Nature and validity of the Binding Offer. Acceptance

- 10.1 This Binding Offer supersedes any previous discussions, expressions of interest and/or offers in relation to the same matter.
- 10.2 Subject to the provisions set forth in Section 5 above, this Binding Offer will remain valid and irrevocable until **12:59 (AM) of August 30, 2016** (the **Term**), unless the Potential Purchaser and the Seller agree in writing – before the Term - to extend its validity.
- 10.3 In case this Binding Offer is not accepted by the Seller within the Term, this Binding Offer shall become automatically null and definitively ineffective, with the sole exception of the provisions set forth in Sections 11, 12, 13 and 14.
- 10.4 To validly accept this Binding Offer, the Seller shall send or deliver copy of this letter duly initialled in each page and signed in full and unconditional acceptance by a legal representative of the Company duly authorised, together with copy of such powers of signature, to the Potential Purchaser at the address specified under Section 13 below.

11. Confidentiality

Each Party undertakes: (i) to keep confidential this Binding Offer and its terms and conditions as well as any and all other information relating to this Binding Offer, the Proposed Transactions and the parties delivered or disclosed (whether orally or in writing) in connection herewith with a level of care and attention which is not less than the level of care used to protect confidential information and

documentation relating to such party's own companies; and (ii) not to disclose any of the foregoing to any third party without the prior written consent of the other party, except and only to the extent such information has become public through no fault of the party who receives it or otherwise permitted under the provisions below.

The parties shall not be deemed in breach of this Section 11 by virtue of any disclosure made pursuant to the provisions or requirements of any applicable law or order issued by any authority having jurisdiction on any of the parties or the Company, provided that such disclosure is limited to that information (and that information only) which is legally necessary to comply with the said provisions or requirements and the requested party exercises all reasonable efforts to obtain reliable assurance that confidential treatment will be accorded to such disclosed information.

In the event that a party is required to disclose certain information, the latter shall promptly notify to the other party the disclosing obligation and the latter shall have the opportunity to review and comment upon any such disclosure.

The parties also acknowledge that each of them may disclose certain information about the Proposed Transaction to its respective shareholders and investors to obtain the necessary financing and the necessary corporate bodies' approvals and authorisations.

No party shall make, or cause to be made, any press release or public announcement in respect to this Binding Offer and/or the Proposed Transaction (including announcement of execution thereof) or otherwise communicate with any news media without the prior written consent of the other party and the parties shall cooperate as to the timing and contents of any such press release or public announcement. To this end each party shall deliver to the other party, for its approval, a draft of any press release or public announcement regarding this Binding Offer and/or the Proposed Transaction.

12. Costs

Each party shall remain full responsible for its own expenses (including cost for advisors) in relation to the possible consummation of Proposed Transaction.

13. Contact details

Any notice or communication required or permitted to be given under this Binding Offer to the Potential Purchaser shall be made in writing, in the English language, and shall be deemed to have been duly and validly given: (i) in the case of notice sent by registered letter with return receipt even if anticipated by e-mail, upon receipt of same and (ii) in the case of notice sent by facsimile even if anticipated by e-mail, upon express acknowledgement (also by facsimile) of receipt of such transmission by the recipient, provided that such communication and/or notice are addressed as follows:

Equitativa Asset Management Limited

24th Floor Al Sila Tower
Al Maryah Island
Abu Dhabi Global Market Square
Abu Dhabi
United Arab Emirates
Telephone: + 871 4 405 7351
e-mail: mailahalabi@co.uk and pvd@heritageandpartners.com
To the attention of Mr Abdul Wahab Al Halabi and Mr Pablo Dana

14. GOVERNING LAW AND JURISDICTION

This Binding Offer is governed by the Italian law and will be interpreted in accordance with it.

Any dispute arising from, or in connection with the interpretation, validity, effectiveness and/or implementation of this Binding Offer will be referred to Italian jurisdiction and to the exclusive competence of the Court of Pisa.

* * * *

If you intend to accept this Binding Offer, please transcribe the full content hereof and the relevant Annex on your letterhead and send or deliver such letter duly initialled in each page and duly signed in full and unconditional acceptance according to Section 10 above.

Yours truly,

Equitativa Real Estate Limited



Name: Abdul wahab Al-Halabi

Title: Director

