

Report on the items on the agenda of the meeting of the  
bondholders of the "Sipcam S.p.A. - 6.50% 2014 - 2019"  
loan convened on 28 June 2018 on first call and on 29  
June 2018 on second call

This report (the "**Report**"), prepared by the Board of Directors of S.I.P.C.A.M. SOCIETÀ ITALIANA PRODOTTI CHIMICI E PER L'AGRICOLTURA MILANO - S.p.A. ("**Sipcam**" or the "**Company**") in accordance with best *practices* of the market and made available to the public in accordance with Article 24 of the "Sipcam S.p.A. - 6.50% 2014 - 2019" bond loan (the "**Loan**" and the "**Rules of the Loan**"), sets out the items on the agenda of the Meeting of the holders of the bonds issued under the Loan (the "**Bondholders**" and the "**Bondholders' Meeting**") convened, on first call, on 28 June 2018 at 11.45 a.m. and, on second call, on 29 June 2018, at 11.45 a.m.

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**1. Disclosure on the terms of the proposed merger by incorporation of the Company into Oxon Italia S.p.A. in accordance with Article 1 of the Rules of the Loan.**

With regard to item 1 on the agenda, concerning disclosure on the terms of the proposed merger by incorporation of the Company into Oxon Italia S.p.A. (respectively, "**Oxon Italia**" and the "**Merger**") to be carried out in accordance with Article 1 of the Rules of the Loan, the Board of Directors notes that:

- (i) Oxon Italia is the head of a group that mainly carries on business in the field of chemical synthesis, in particular, of certain agro pharma active ingredients and chemical intermediates, and in registration, manufacture and marketing of active ingredients and chemical intermediates and their derivatives;
- (ii) Sipcam is the head of a group that carries on business in development, registration, manufacture and marketing of crop protection agents, fertilisers, biostimulants and biological products for agriculture and seeds;
- (iii) Through the Merger, Oxon Italia and Sipcam (jointly, the "**Companies Participating in the Merger**") intend to simplify and rationalise the structure of the respective groups, with the aim of facilitating corporate governance and coordination activities, as well as achieving cost savings and improving operational efficiency by eliminating duplication of the Boards of Directors and Boards of Statutory Auditors;
- (iv) on 11 May 2018, the Boards of Directors of Sipcam and Oxon Italia approved, inter alia, the Merger project and called the shareholders' meetings of the respective companies to approve the Merger, pursuant to Article 2502 of the Italian Civil Code, on first call, on 28 June 2018, at 9.00 a.m. and 10.30 a.m. respectively, and, on second call, on 29 June 2018, at 9.00 a.m. and 10.30 a.m. respectively;
- (v) Article 1 of the Rules of the Loan includes among the "Permitted Transactions" for the purposes of Article 12 of the same Rules, merger transactions that have been announced in advance at the Bondholders' Meeting and for which the Meeting has not passed a resolution against it within 30 days of the announcement.

That stated, the Board of Directors reports the following.

On the basis of the provisions of the merger project, the Merger will take place through the incorporation of Sipcam into Oxon Italia, pursuant to and for the purposes of Article 2501 of the Civil Code. In particular, as a result of the Merger:

- (i) the shares of Sipcam, other than those held by Oxon Italia and the treasury shares held by the Company, will be cancelled and exchanged for newly-issued category A shares of Oxon Italia or shares already held by Oxon Italia, on the basis of the exchange ratio indicated in the Merger project;
- (ii) proceed with cancellation without exchange of: (a) all Sipcam shares owned by Oxon Italia on the Effective Date (as defined below) and (b) all Sipcam shares held by the Company itself on the Effective Date.

To service the Merger, Oxon Italia will increase its share capital by a maximum of EUR 5,111,443.00, by issuing a maximum of 5,111,443 new category A shares with a face value of EUR 1.00 each, in application of the exchange ratio and the share allocation procedures set out in the Merger project.

In addition, as a result of the Merger, Oxon Italia will change its company name and corporate purpose in order to highlight the integration of Sipcam and the business activities it primarily carries out, with particular regard to "research and creation of new seed varieties and their multiplication, processing and marketing", without prejudice to the contiguity of these business activities with those carried out by Oxon Italia and, in any case, the suitability of Oxon Italia's current corporate purpose, given its broad wording, to allow it to be carried out even independently of the change that will be made.

Therefore, Oxon Italia's Articles of Association, which will come into force on the Effective Date, will contain the following additional changes to the current Articles of Association:

- (i) Article 1 ("Name"): Oxon Italia will take the name "SIPCAM OXON S.p.A.";
- (ii) Article 5 ("Purpose"): Oxon Italia will adopt the following corporate purpose: "The company's object is *research*, production, purchase, sale, even as an agent, processing and transformation of chemical, biochemical, biological and agricultural products, as well as the *research and creation of new seed varieties and their multiplication, processing and marketing*, as well as all other instrumental business activities connected with the above and related to the same. The purpose of the company is also development, study, design, realisation, installation, maintenance, marketing, rental and, if necessary, the management, also on a turnkey basis, on its own account and on behalf of third parties, of systems, technological plants and distribution networks connected to production, optimisation, transformation, transport and use of energy from traditional, renewable and similar sources, without territorial limits; supply of integrated energy services for the realisation and possible subsequent management of energy saving; processing, management, treatment and handling in general of raw materials, including secondary materials and/or wastes, in particular if they can be used for the production of energy; the import, export, purchase, sale, brokerage of electricity and any other energy source.

The company may also carry out import and export transactions in its own name and as commission agent or dealer for other companies.

*The company may also carry out, not as a core business and in any case not directly with the public, any industrial, commercial, financial, securities or real estate transactions considered by the administrative body to be necessary or useful for achieving the corporate purpose, directly and indirectly acquire interests or equity investments in other companies and enterprises having a purpose similar, like or connected to its own and issue guarantees and sureties also in the interest of third parties.*" (The sentences added or reworded in relation to Oxon Italia's current corporate purpose are shown in italics);

- (iii) Article 6 ("Share Capital"): Notwithstanding the maximum amount indicated above, the share capital of Oxon Italia will be equal to the amount indicated in the Merger Deed.

Subject to the approval of the merger project by the shareholders' meeting of the Companies Participating in the Merger, the Merger may be implemented, pursuant to Article 2503 of the Italian Civil Code, after sixty days from the last one of the registrations provided for in Article 2502-bis of the Italian Civil Code, subject to the exceptions provided for in the same Article. If none of these exceptions applies, the creditors may object, within the aforementioned period of sixty days.

Pursuant to Article 2504-bis, second paragraph, of the Italian Civil Code, the Merger shall take legal effect from the date to be established in the merger deed in accordance with Article 2504, second paragraph, of the Italian Civil Code (the "**Effective Date**").

Sipcam's transactions will be recorded on Oxon Italia's financial statements as of 1st January of the financial year in which the Merger becomes effective, in accordance with the provisions of the preceding paragraph. Tax effects of the Merger will take effect on the same date.

As regards the reference balance sheet situations pursuant to Article 2501-*quater* of the Italian Civil Code, the Merger will be resolved, with reference to both Companies Participating in the Merger, on the basis of their respective financial statements for the year ended 31 December 2017, as set out in the draft financial statements approved on 11 May 2018 by the Boards of Directors of Sipcam and Oxon Italia.

The balance sheet and income statement of the draft financial statements as at 31 December 2017 and the balance sheet and income statement of the consolidated financial statements as at 31 December 2017 approved by the Boards of Directors of Sipcam and Oxon Italia, respectively, are attached to this report as Annexes 1, 2, 3 and 4.

**2. Approval of the Merger pursuant to and for the effects of Article 1 of the Rules of the Loan and Article 2503-bis, *first* paragraph, of the Italian Civil Code. Related and consequent resolutions.**

With regard to item 2 of the agenda, concerning the proposal for approval of the Merger pursuant to Article 1 of the Rules of the Loan and Article 2503-bis, *first* paragraph, of the Italian Civil Code and the related and consequent resolutions, the Board of Directors notes that:

- (i) In accordance with Article 1 of the Rules of the Loan, as a result of the disclosure provided to the Bondholders' Meeting, the Merger shall be deemed to be a "Permitted Transaction" for the purposes of Article 12 of the Rules of the Loan if the Bondholders' Meeting does not pass a resolution opposing the completion of the Merger within 30 days of receipt of such notice;
- (ii) Pursuant to Articles 2503 and 2503-bis of the Italian Civil Code, the Bondholders have the right, even individually, to object to the Merger, unless the Merger is approved by the Bondholders' Meeting;
- (iii) the completion of the Merger will entail the need to automatically and consequently make certain amendments to the Rules of the Loan which are strictly necessary to adapt the provisions contained therein to the effects of the Merger, it being understood that all other terms and conditions of the Loan shall remain unchanged.

That being said, in order to simplify the way in which the Merger procedure is conducted and ensure the timely acquisition of the Bondholders' consent to the Merger, the Board of Directors proposes to the Bondholders to:

- (i) approve the Merger, in the terms described above, pursuant to and for the purposes of Article 1 of the Rules of the Loan and Article 2503-bis of the Italian Civil Code;
- (ii) take note that, following the Merger, the Rules of the Loan will be amended, automatically and consequently, with respect to the name of the Loan referred to in Article 2, the definition of "Issuer" and "Permitted Liens" referred to in Article 1 and the email addresses *referred to* in Articles 9, 13.1 and 17, in accordance with Annex 5 to this report.

Milan, 04 June 2018

For the Board of Directors of

SIPCAM SOCIETÀ ITALIANA PRODOTTI CHIMICI E PER L'AGRICOLTURA MILANO - S.p.A.

Signed Nadia Gagliardini - President

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List of Annexes:

1. Sipcam's balance sheet and income statement of the draft financial statements as at 31 December 2017;
2. Oxon Italia's balance sheet and income statement of the draft financial statements as at 31 December 2017;
3. Balance sheet and income statement of the consolidated financial statements as at 31 December 2017 of the group headed by Sipcam;
4. Balance sheet and income statement of the consolidated financial statements as at 31 December 2017 of the group headed by Oxon Italia;
5. Rules of the bond loan "Sipcam S.p.A. - 6.50% 2014 - 2019" with evidence of the changes resulting from the Merger.