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**AZIMUT HOLDING S.p.A.**  
*(incorporated in the Republic of Italy as a joint stock company)*

**EXPLANATORY NOTE**  
**relating to the**  
**MEETING OF BONDHOLDERS**  
**of its**

€250,000,000 2.125 per cent. Subordinated Convertible Bonds due 2020 (the “**Bonds**”)

This explanatory note (the “**Explanatory Note**”) has been prepared by the board of directors of Azimut Holding S.p.A. (“**Azimut**”, the “**Company**” or the “**Issuer**”) for the purpose of the meeting of the holders of the Bonds (the “**Meeting**” and the “**Bondholders**”, respectively) convened, pursuant to the provisions (the “**Meeting Provisions**”) of Schedule 3 (*Provisions for Meetings of Bondholders*) to the Trust Deed dated 25 November 2013 (as from time to time amended and/or supplemented) (the “**Trust Deed**”) made between the Issuer and BNP Paribas Trust Corporation UK Limited as trustee (the “**Trustee**”), to be held as a single call meeting at the offices of the Company at Via Cusani 4, 20121 Milan, Italy, on 8 May 2017 at 10:00 a.m. (CET) for the purpose of considering the matters set out under the following “**Agenda**” and, if thought fit, passing the following resolution which will be proposed as an extraordinary resolution (the “**Extraordinary Resolution**”) in accordance with the provisions of the Trust Deed.

Unless the context otherwise requires, terms used in this Explanatory Note shall bear the meaning given to them in the Trust Deed, in the terms and conditions of the Bonds as set out in Schedule 4 (*Terms and Conditions of the Bonds*) to the Trust Deed (the “**Conditions**”), in the notice convening the Bondholders Meeting (the “**Notice**”) or in the launch announcement published on the website of the Company on 4 April 2017 (the “**Launch Announcement**”) ([www.azimut-group.com](http://www.azimut-group.com)).

The Notice was given in accordance with applicable law and distributed to the Bondholders via the Clearing Systems and published on the website of the Company ([www.azimut-group.com](http://www.azimut-group.com)). The Meeting will be held in the presence of an Italian notary public.

**AGENDA**

**To approve the Extraordinary Resolution in accordance with the provisions of the Trust Deed and the Conditions, in order to amend certain provisions of the Trust Deed and the Conditions, and, accordingly, to propose to the Meeting the following Extraordinary Resolution**

**Rationale and Background for the Meeting**

The Meeting is convened — simultaneously to the invitation by the Company to the Bondholders on April 4, 2017 to tender their Bonds for purchase by the Company for cash (the “**Offer**”) — to approve certain modifications to the Conditions (the “**Proposal**”).

In particular, pursuant to the Offer, the Company has invited the Bondholders to tender their Bonds for purchase by the Company through a reverse bookbuilding process, in accordance with the Offer Conditions and in compliance with the conditions set out in the Offer Term Sheet. In addition, the Company has resolved to invite, following the Offer Deadline and subject to the Minimum Acceptance Condition being satisfied, all the Bondholders to approve certain modifications (as detailed below) to the terms and conditions of the Bonds.

As set out in the Launch Announcement, in order to participate in the Offer, the Eligible Holders must submit Tender Instructions to the Joint Dealer Managers. By validly submitting Tender Instructions in the Offer, Bondholders will be deemed to have irrevocably undertaken to arrange to submit instructions to vote in favor of the Extraordinary Resolution.

The Company has launched the Offer and the Proposal with a view to modifying the maturity profile and composition of its long-term debt. Indeed, following the reorganization of the Company and its subsidiaries in 2016, Directive 2013/36/EU (the Capital Requirements Directive IV) and Regulation (EU) No 575/2013 (the Capital Requirements Regulation) are no longer applicable to the Group, and as a result the Company is no longer required to hold regulatory capital, including the Bonds, which qualified as Tier 2 capital as at the date of their issue. In launching the Offer and the Proposal, the Company is giving Bondholders the opportunity to take advantage of the favorable conversion price of the Bonds, which reflect the current market price of the Company's shares.

### **Details of the Proposal**

Pursuant to the Consent Solicitation, the Company invites Bondholders to approve certain modifications to the Conditions of the Bonds, to provide for: (a) the deletion of certain restrictive language in the Conditions of the Bonds to allow for the Company or any subsidiary of the Company to purchase all or some of the Bonds in the open market or otherwise at any time (including any Bonds purchased pursuant to the Offer), as more fully described in the Notice, and (b) the Company to have the option to redeem, at any time on or after the Settlement Date, all, but not some only, of the Bonds that remain outstanding (if any) following the completion of the Offer, at a price equal to the Late Purchase Price plus accrued interest if the principal amount of the Bonds outstanding is equal or less than 20% of the principal amount of the Bonds originally issued, in each case subject to the passing of the Extraordinary Resolution and the completion of all related formalities.

### **The Meeting, the Extraordinary Resolution and Implementation of the Proposal**

The procedures described below are in compliance with the mandatory provisions of applicable Italian law and regulation (including Legislative Decree No. 58 of 24 February 1998 (the "**Italian Financial Services Act**"), as amended) and the Company's bylaws.

At least 30 clear days' written Notice convening the Meeting has been given to Bondholders in accordance with the Conditions and the Italian Financial Services Act by delivery of the Notice to Euroclear and Clearstream, Luxembourg. The Notice has also been published on the website of the Company and will be made available in accordance with all applicable laws and regulations. In accordance with the Company's by-laws, the Company's board of directors has convened the Meeting in a single call. The Meeting will commence at 10:00 a.m. (CET) on 8 May 2017.

Bondholders are invited to submit a valid Voting Only Instruction or Tender Instruction, in each case in accordance with the Tender Offer Term Sheet, the Conditions, the Meeting Provisions and the Trust Deed or to attend or to take steps to be duly represented at the Meeting.

The Registered Holder may, by instrument in writing in the English language, appoint any person as a proxy to act on their behalf in connection with the Meeting.

A Direct Participant will be able to procure that either (i) a voting only instruction is given in accordance with the procedures of the relevant Clearing System to instruct the relevant Clearing System that the vote(s) attributable to the Bonds the subject of such Voting Only Instruction should be cast in a particular way (either in favor or against) in relation to the Extraordinary Resolution in respect of such Bonds, or (ii) it, or a person nominated by it, be appointed as a proxy in respect of such Bonds to attend and vote at the Meeting.

Any Tender Instructions or Voting Only Instructions given or Forms of Proxy submitted may not be revoked during the period starting 48 hours before the time fixed for the Meeting and ending at the conclusion of such Meeting.

At the Meeting, the Bondholders will be asked to consider and, if thought fit, pass an extraordinary resolution relating to the Proposal as set out in the Notice, which will provide, among other things, for the Company to be authorized, directed and requested to enter into a Supplemental Trust Deed in order to give effect to the modifications to the Conditions set out in the Extraordinary Resolution.

Pursuant to applicable law, the By-Laws of the Company and the Conditions, the Meeting shall be validly held if there is one or more persons present representing at least one-fifth of the aggregate principal amount outstanding of the Bonds.

The majority required to pass the Extraordinary Resolution at the Meeting shall be one or more persons holding or representing in the aggregate not less than one-half in aggregate principal amount of the Bonds outstanding. In the case that one or more persons holding or representing in the aggregate not less than one-half in aggregate principal amount of the Bonds for the time being outstanding are not present within 15 minutes from the time initially fixed for the Meeting, the Meeting shall be dissolved.

If passed, the Extraordinary Resolution will be binding on all Bondholders whether or not represented at the Meeting and whether or not voting.

### **Notices**

The Company will announce, as the case may be, following the Offer Deadline and after the Meeting, as soon as reasonably practicable:

- (i) whether the Minimum Acceptance Condition has been satisfied;
- (ii) whether the Company intends to launch the Consent Solicitation and accept all the Bonds validly tendered pursuant to the Offer, subject to the Consent Solicitation Condition being satisfied;
- (iii) the results of the Meeting;
- (iv) the Purchase Price and Accrued Interest;
- (v) the Settlement Date;
- (vi) whether the Company intends to exercise the Issuer Early Redemption, if the principal amount of the Bonds outstanding is equal to or less than 20% of the principal amount of the Bonds originally issued, in each case subject to the passing of the Extraordinary Resolution and the completion of all related formalities.

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### **Extraordinary Resolution**

In light of the above, the Company has convened the Meeting in order for Bondholders to consider and, if thought fit, approve the following resolution which will be proposed as an Extraordinary Resolution:

**“THAT THIS MEETING** (the **“Meeting”**) of the holders of Azimut Holding S.p.A.’s (the **“Company”**) €250,000,000 2.125 per cent. Subordinated Convertible Bonds due 2020 (ISIN: XS0994784030) (the **“Bonds”**) pursuant to a trust deed dated 25 November 2013 (as amended and/or supplemented from time to time) (the **“Trust Deed”**) between the Company and BNP Paribas Trust Corporation UK Limited (the **“Trustee”**), by Extraordinary Resolution **HEREBY**:

- (1) assents to, sanctions and approves the modification of Condition 7(e) (*Redemption and Purchase*) of the terms and conditions of the Bonds as set out in Schedule 4 (*Terms and Conditions of the Bonds*) to the Trust Deed (the **“Conditions”**) as follows:

*“Purchase*

~~Subject as provided in the following paragraph, the~~

- (i) The Issuer or any Subsidiary of the Issuer may at any time purchase Bonds at any price in the open market or otherwise. ~~If purchases are made by tender, tenders must be available to all Bondholders alike. Such Bonds may be held, reissued, resold or, at the option of the purchaser, surrendered to the Principal Paying, Transfer and Conversion Agent for cancellation.~~
- (ii) The Issuer may redeem all but not some only of the Bonds (other than any Bonds that are purchased by the Issuer pursuant to the Offer) at any time on or after the Offer Settlement Date, at the Late Purchase Price plus the Accrued Interest Amount, if the principal amount of the Bonds outstanding is equal to or less than 20 per cent. of the principal amount of the Bonds originally issued.

Such Bonds may be held, reissued, resold or, at the option of the Issuer, surrendered to the Principal Paying, Transfer and Conversion Agent for cancellation.

In this Condition:

“Accrued Interest” means interest accrued and unpaid on the Bonds from (and including) the immediately preceding Interest Payment Date to (but excluding) the date on which such Bonds are redeemed pursuant to this Condition 7(e);

“Accrued Interest Amount” means an amount in cash (rounded to the nearest €0.01, with €0.005 rounded upwards) equal to the Accrued Interest on the Bonds;

“Late Purchase Price” has the meaning given to it in the Tender Offer Term Sheet;

“Notice of Meeting” means the notice of meeting sent to Bondholders dated 5 April 2017;

“Offer” means the invitation by the Issuer to Bondholders to tender their Bonds for purchase by the Issuer for cash, on the terms and subject to the conditions set out in the Tender Offer Term Sheet;

“Offer Settlement Date” means the settlement date for the Offer; and

“Tender Offer Term Sheet” means the tender offer term sheet dated 4 April 2017 from the Issuer addressed to the Bondholders.

~~Bonds may only be purchased by the Issuer or any of the Issuer's subsidiaries subject to the prior approval of the Competent Authority unless the Bonds to be purchased (a) do not exceed 10 per cent. of the aggregate principal amount of the Bonds and (b) are not purchased in order to be surrendered to the Principal Paying, Transfer and Conversion Agent for cancellation. In any case, Bonds may not be purchased by the Issuer or any of the Issuer's subsidiaries prior to the fifth anniversary of the Closing Date."~~

- (2) authorizes, directs and requests the Company to: (i) give effect to the modifications referred to in paragraph (1) of this Extraordinary Resolution by way of execution of a supplemental trust deed (the "**Supplemental Trust Deed**") which shall be supplemental to the Trust Deed; and (ii) enter into and do all such other deeds, instruments, acts and things as may be necessary, desirable or expedient to carry out and give effect to this Extraordinary Resolution and the implementation of the Proposal;
- (3) sanctions and assents to every abrogation, amendment, modification, compromise or arrangement in respect of the rights of the Bondholders against the Company or against any of its property whether such rights shall arise under the Trust Deed or otherwise involved in or resulting from the convening of the Meeting, the Proposal, this Extraordinary Resolution, the Supplemental Trust Deed or their implementation and/or the amendments to the Trust Deed or their implementation;
- (4) acknowledges and agrees that the Supplemental Trust Deed and the amendments to the Trust Deed will each become effective from the date of the execution of the Supplemental Trust Deed, which may occur prior to the payment of the Purchase Price and the Accrued Interest Payment;
- (5) acknowledges that the payment of the Purchase Price and the Accrued Interest Payment shall be conditional on this Extraordinary Resolution being passed and registered with the Companies' Register of Milan and the Supplemental Trust Deed being validly executed;
- (6) declares that the implementation of this Extraordinary Resolution and the effectiveness of any modifications to the Conditions as set out in this Extraordinary Resolution shall be in all respects conditional upon:
  - the passing of this Extraordinary Resolution;
  - the quorum required for, and the requisite majority of votes cast at, the Meeting being satisfied by Bondholders that are not Ineligible Voters on the assumption that all Ineligible Voters attending or represented at the Meeting have voted against the Extraordinary Resolution (whether or not that is in fact the case); and
  - the acceptance by the Company of Bonds validly tendered in the Offer (as described in the Tender Offer Term Sheet),
- (7) authorizes, directs, requests and empowers the Trustee to: (i) concur in the modifications referred to in paragraph (1) of this Extraordinary Resolution and, in order to give effect to and implement such modifications, on or shortly after the passing of this Extraordinary Resolution, execute the Supplemental Trust Deed, (substantially in the form of the draft produced to the Meeting, with such amendments (if any) approved by the Trustee, in its sole discretion, or required by the Trustee); and (ii) concur in and execute and do all such other deeds, instruments, acts and things as may be necessary, desirable or expedient, in the sole discretion of the Trustee, to carry out and give effect to this Extraordinary Resolution and the implementation of the Proposal; and

- (8) discharges, exonerates and indemnifies the Trustee from all liability in consenting to the Proposal and in respect of any act or omission for which it may have become responsible under the Trust Deed and/or the Bonds in connection with the Proposal, this Extraordinary Resolution or its implementation (including without limitation the execution by the Trustee of the Supplemental Trust Deed).

Unless the context otherwise requires, capitalized terms used in this Extraordinary Resolution shall bear the meanings given to them in the Trust Deed and in the tender offer term sheet dated 4 April 2017 (the “**Tender Offer Term Sheet**”).

In this Extraordinary Resolution the following expressions have the following meanings:

- (a) “**Eligible Voter**” means each Bondholder who is (a) located and resident outside the United States and not a U.S. person (as defined in Regulation S under the Securities Act) and (b) otherwise a person to whom the Proposal can be lawfully made and that may lawfully participate in the Proposal; and
- (b) “**Ineligible Voter**” means each Bondholder who is not an Eligible Voter.

The Company has convened the Meeting for the purpose of enabling Bondholders to consider the Proposal set out in the Tender Offer Term Sheet and, if they think fit, to pass the Extraordinary Resolution set out above.”

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**5 April 2017**

**Azimut Holding S.p.A.**

The Chairman of the Board of Directors

(Mr. Pietro Giuliani)