

RenoDeMedici



**CODE
FOR
HANDLING INSIDE
INFORMATION**

Approved by the Board of Directors on 4 November 2011

**The Managing Director
Ignazio Capuano**



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PART I – GENERAL

1 Objective

1.1 The inclusion in Italian legislation of the community market abuse directive (Directive 2003/06/EC) has led to the introduction of laws, regulations and implementation rules issued by Consob and Borsa Italiana whose aim is to govern the disclosure formalities and conduct required from the Issuer of listed financial instruments. The objective is to map information flows and dictate rules of conduct, steps which the Issuer is required to fulfil in order to avoid incurring the penalties established to protect the market.

1.2. The measures impose requirements for disclosure to the public, to the Supervisory Body (Consob) and to the body managing the financial markets (Borsa Italiana S.p.A.), with the aim on the one hand of ensuring the transparency and efficiency of the market during the process of forming prices, safeguarding investors by providing information that is exhaustive, not misleading, complete, clear and not selective, and on the other of avoiding abusive conduct of criminal relevance being carried out by persons holding or becoming aware of inside information (as defined in § 4 below).

1.3 In this sense, therefore, the obligation for Issuers to establish a register of Persons having access to inside information is of fundamental importance, as this may act as an internal organisational measure and as control of the confidentiality of inside information for preventing the occurrence of the potential phenomena of the abuse of such information (insider trading) and market rumours.

1.4 The discipline relating to the communication of inside information and that concerning insider trading are both based on the concept of inside information. The definition of this, provided by article 181, paragraph 1 of the Consolidated Finance Law, nonetheless assumes a different meaning depending on the aspect of the function being pursued in the respective legislative situations.

For the purpose of this present code of conduct (hereafter the “**Code**”), the governance of the handling of Inside Information does not prejudice and does not exceed the discipline to be found in the “Internal Dealing Code of Conduct” approved by the Managing Director and ratified by the Company’s Board of Directors on 28 September 2005, to which it should be added.

2 Purpose of the Code

2.1 This Code is adopted by Reno De Medici S.p.A. (hereafter “**Reno De Medici**” or the “**Company**”) as a means of applying the legislative and regulatory discipline on “corporate information” provided by article 113 and following of Legislative Decree no. 58/98 and subsequent additions and amendments, the Consolidated Finance Law (hereafter the “**TUF**”) and the regulatory implementation rules as per articles 65 and following of Consob resolution no. 11971 of 14 May 1999 and subsequent additions and amendments (hereafter the “**Issuers’ Regulations**” or “**IR**”).

2.2 By means of this Code the Company intends rigorously to regulate conduct and procedures capable of ensuring:

- o the confidentiality of corporate information, and in particular Inside Information, placing especial emphasis on the period between the origination of Significant Information - as defined in § 4 below - and the requirement for market communication;
- o timely communication to the public of Significant and/or Inside Information if it is not possible to exclude the risk of “leaks” or the involuntary circulation of such information;
- o the disclosure of the information pursuant to article 114, paragraph 114 of the TUF and the respective implementation provisions in accordance with the criteria of “accuracy, clarity and equal access to the information”.



2.3 This Code does not govern the management of information of a publicity or commercial nature , which is therefore disseminated by means other than those envisaged by this Code.

3 References to Legislation

This Code is issued as a means of implementing:

- a) the provisions of articles 114, paragraph 1, 114-bis and 115-bis of the TUF as updated for the amendments brought by Law no. 120 of 12 July 2011;
- b) the provisions on corporate information as per the Regulations implementing the TUF (**Issuers' Regulations**) concerning the discipline of issuers, adopted by Consob with resolution no. 17679 of 1 March 2011, resolution no. 17730 of 31 March 2011 and resolution no. 17731 of 5 April 2011;
- c) the provisions on corporate information as per the Rules of the markets organised and managed by Borsa Italiana S.p.A. (respectively "**Rules of the Markets organised and managed by Borsa Italiana S.p.A.**" and "**Instructions accompanying the Rules of the Markets**");
- d) the requirements of article 4 of the **Corporate Governance Code** of Borsa Italiana, March 2006 edition, on the treatment of corporate information;
- e) the recommendations of Consob on corporate information and, in particular, those included in **Consob Communication** no. DME/6027054 of 28 March 2006;
- f) the recommendations on corporate information contained in the Guide for Information to the Market prepared by the Forum on corporate information, published by Borsa Italiana in June 2002 (hereafter "**Guide for Information to the Market**").

4 Definitions

The terms and definitions used in this Code are stated below together with the meaning assigned to them; the definition of any terms in the singular shall also hold in the plural and vice versa.

4.1 Managing Director

The executive director appointed by the Board of Directors who is entrusted with implementing the provisions of this Code.

4.2 Chief Financial Officer

The Head of the Administration, Finance and Control Department, appointed by the Board of Directors, who is also assigned the position as manager responsible for the preparation of company accounting documents pursuant to article 154-bis of the TUF.

4.3 Consultants and Advisors

Persons who by virtue of a particular engagement have access on a regular or occasional basis to Inside Information relating to Reno De Medici or its Subsidiaries.

4.4 Employees

The employees of Reno De Medici and its Subsidiaries which due to their work or the duties they perform have access on a regular or occasional basis to Inside Information relating to Reno De Medici or its Subsidiaries.

4.5 Managers and Heads of Department/Business Functions

Managers and Heads of Department/Business Functions shall mean the persons in charge instructed by the Company to manage Departments/Business Functions as defined in the organisational chart.

4.6 Significant Event

The event identified in article 10 of Part II of this Code.



4.7 Inside Information

Pursuant to the combined effect of articles 114 and 181 of the TUF, Inside Information is information that:

- a) **is not disseminated to the public;**
- b) is of a **precise nature**, namely that it:
 - (i) refers to a set of circumstances which exist or which can be reasonably expected to come into existence or to an event which has occurred or may be reasonably expected to occur;
 - (ii) is sufficiently specific for a person to be able to draw conclusions on the possible effect of the set of circumstances or the event as per paragraph a) on the prices of the Financial Instruments;
- c) **directly or indirectly concerns Reno De Medici or its Subsidiaries** (as defined below) and
- d) **which, if made public, could have a significant effect on the prices of the Financial Instruments of Reno De Medici**, meaning that which a reasonable investor would presumably use as one of the elements on which he bases his investment decisions.

4.8 Significant Information

For the purpose of this Code Significant Information shall mean a piece of news of a confidential nature relating to the Company or its Subsidiaries capable of becoming Inside Information, which has not yet assumed the features of precision required by article 181 of the TUF.

4.9 Management and Control Bodies

The Board of Directors, the Directors' Compensation Committee, the Internal Control Committee and the Supervisory Board are identified as Collegiate Bodies.

4.10 Informed Persons

All persons who due to the work or professional activities they perform for the Company have access on a regular or occasional basis to Inside Information relating to Reno De Medici or its Subsidiaries.

4.11 Keeper of the Register and Deputy

The person in charge of maintaining, managing and updating the Group Register (as defined below), appointed by the Board of Directors. In the absence of the person in charge his deputy, appointed by the person in charge, shall be responsible for such activities.

4.12 RDM/Company/Parent

Reno De Medici S.p.A. having registered office at Via Durini 16/18, Milan, Vat number and tax code 00883670150, whose securities are listed on the electronic market managed by Borsa Italiana S.p.A. (code ISIN IT0001178299).

4.13 RDM Group Register of persons having access to Inside Information

Pursuant to article 152-bis of the Issuers' Regulations, which provide that "companies having a control relationship with the issuer and the issuer itself" may delegate the drawing-up, management and keeping of the register to other companies of the group, Reno De Medici S.p.A. has set up a group register (the "**RDM Group Register**"), governed in compliance with the provisions of article 115-bis of the TUF by the "Procedure for managing the Register of Persons having access to Inside Information" (Annex B to this Code).

4.14 Subsidiaries

Subsidiaries shall mean:

- a) Italian or non-Italian companies in which Reno De Medici holds the majority of voting rights which may be exercised at an ordinary shareholders' meeting;



- b) Italian or non-Italian companies in which Reno De Medici holds sufficient voting rights to exercise a dominant influence at an ordinary shareholders' meeting;
- c) Italian or non-Italian companies in which Reno De Medici has the right, by virtue of a contract of clause in the bylaws, to exercise a dominant influence, when applicable law permits this;
- d) Italian or non-Italian companies in which on the basis of agreements with other shareholders Reno De Medici on its own holds sufficient rights to exercise a dominant influence at an ordinary shareholders' meeting.

For the purpose of identifying a control relationship within the above terms, the rights due to Subsidiaries or those exercised through trustees or nominees of Reno De Medici shall also be taken into consideration.

4.15 Financial Instruments

Financial Instruments shall mean the instruments specified by article 1, paragraph 2 of the TUF which have been issued by Reno De Medici. More specifically, article 1, paragraph 2 of the TUF includes the following:

- a) shares and other securities;
- b) money market instruments;
- c) units in mutual funds
- d) option contracts, standardised forward financial contracts (futures), swaps, interest rate swap agreements and other derivative contracts connected with shares and other securities, currencies, interest rates or returns, or other derivative instruments, financial indices or financial measurements which may be settled through the physical delivery of the underlying or by the payment of differentials in cash;
- e) option contracts, standardised forward financial contracts (futures), swaps, interest rate swap agreements and other derivative contracts connected with commodities which are settled by the payment of differentials in cash or whose settlement may occur in that way at the discretion of one of the parties, with the exclusion of the cases in which this faculty follows non-fulfilment or another event which determines the termination of the contract;
- f) option contracts, standardised forward financial contracts (futures), swaps and other derivative contracts connected with commodities which may be settled by the delivery of the underlying and which are traded on a regulated market and/or in a multilateral trading system;
- g) option contracts, standardised forward financial contracts (futures), swaps, forward contracts and other derivative contracts connected with commodities which may be settled by the delivery of the underlying, other than those in paragraph f), which do not have a commercial scope and have the features of other derivative financial instruments, considering among other things if they are compensated and executed through recognised clearing houses or if they are subject to regular margin calls;
- h) derivative instruments for the transfer of credit risk;
- i) differential financial contracts;
- j) option contracts, standardised forward financial contracts (futures), swaps, interest rate swap agreements and other derivative contracts connected with climatic variables, transport tariffs, emission allowances, inflation rates or other official economic statistics, which are settled by the payment of differentials in cash or whose settlement may occur in that way at the discretion of one of the parties, with the exclusion of the cases in which this faculty follows non-fulfilment or another event which determines the termination of the contract, and other derivative contracts connected with commodities, rights, obligations, indices and measurements, other than those described in the previous paragraphs, having the features of other derivative financial instruments, considering among other things if they are traded on a regulated market and/or in a multilateral trading system, if they are compensated and executed through recognised clearing houses or if they are subject to regular margin calls;
- k) securities admitted to trading or for which Reno De Medici has filed an application to the competent authorities for admission to trading on an Italian or European Union regulated market.



5 Scope of Application

5.1 The following persons whose names are included in the RDM Group Register are required to respect the provisions of this Code:

- a) the members of the Management and Control Bodies of Reno De Medici and its Subsidiaries;
- b) the managers, Heads of Department/Function and the employees of Reno De Medici and its Subsidiaries as well as those of the Controlling Company, who, in the course of performing their jobs, have access in a legitimate and authorised manner to information which may even only be susceptible to becoming Inside Information;
- c) Informed Persons.

5.2 The Managing Director will introduce any changes to this Code and its Annexes which may become necessary following amendments and/or updates of the applicable laws and regulations, reporting all changes to the first subsequent meeting of the Board of Directors.

6 Personal data processing

6.1 Pursuant to Legislative Decree no. 196/2003 and subsequent amendments and additions, each of the persons named in paragraph 5.1 shall provide his irrevocable consent to the processing of the personal data requested by completing and signing the form in Annex C.

6.2 The Keeper of the Register shall store the written statements by which the persons named in paragraph 5.1 fully acknowledge and accept this Code and provide their consent to the processing of the personal data requested.

7 General rules of conduct

7.1 In performing all the activities ascribable to the Company, the persons named in paragraph 5.1 must be knowledgeable about and respect the applicable Italian and non-Italian primary and secondary legislation, as well as all the corporate governance principles to which the Company makes reference and in particular:

- the corporate bylaws in force;
- the Corporate Governance Code;
- the Code of Ethics adopted by the Reno De Medici Group;
- the Internal Dealing Code;
- the Organisation, Management and Control Model as per Legislative Decree no. 231/2001.

7.2 It is **obligatory** for these persons to:

- a) respect the general right to confidentiality concerning the activities carried out by the Company and by its Subsidiaries of which they may become aware and the loyalty obligation as per article 2105 of the Italian civil code¹;
- b) respect the confidentiality requirements provided by the law concerning Inside Information of which they may become aware as members of the Company's administration, management or control bodies, or in relation to the rendering of work or professional services in the Company's favour;
- c) also observe the confidentiality requirements in connection with Significant Information, on the one hand to safeguard the Company's interest in keeping its affairs confidential, and on the other to prevent

¹ Article 2105 of the Italian civil code – "Loyalty obligation - The employee shall not carry out any business, for his own account or for the account of third parties, in competition with the employer, nor disclose information concerning the company's organisation or production methods or make use of this to the detriment of the company".



the possibility of market abuse, as the result of the dissemination of information, rumours or false or misleading news;

- d) treat the Significant and/or Inside Information with all the necessary caution to ensure that such may circulate inside and outside the Company without prejudicing its confidential nature and in accordance with specific business procedures, until such is disseminated to the public by the means specified by the Code or until such no longer has the characteristic of being significant;
- e) sign confidentiality agreements in the event they must pass Significant Information to Third Parties for official reasons.

7.3 The following are expressly **prohibited**:

- a) to communicate by any means Significant and/or Inside Information of which they have become aware due to the above reasons, unless it is essential as part of the normal performance of their work, profession or duties;
- b) to give interviews to the press or make statements in general which contain Significant and/or Inside Information regarding the Company and any Subsidiaries which has not already been disseminated to the public;
- c) to buy, sell or carry out any other transaction on the financial instruments to which the Inside Information relates, directly or indirectly, on their own account or on the account of third parties;
- d) to buy, sell or carry out any other transaction on the financial instruments to which the Inside Information relates in the name and/or on behalf of the Company;
- e) to recommend or induce others, on the basis of the Inside Information, to buy, sell or carry out any other transaction on the financial instruments to which the Information relates, on their own account or on the account of third parties.

7.4 The members of the management and control bodies and all those persons who in another capacity may intervene, take part in or in any case attend meetings of the Board of Directors and the committees established by the Board of Directors, shall maintain absolute confidentiality about the documents and information acquired during such meetings; in particular, they must maintain secrecy about the Significant and Inside Information until the Company makes such information public by the means established in the “Procedure for the preparation and dissemination of communications pursuant to article 114 of the TUF and article 66 of the IR” included in Annex A. The preceding applies to all the documentation relating to the matters on the agenda of the above-mentioned meetings which may be made available to participants in advance.

8 Sanctions

8.1 In the event of a breach of the provisions relating to this Code, the sanctions provided by current legislation shall apply, such as:

- a) the regimes ranging from criminal to administrative responsibility provided by the TUF in articles 184 and 187-bis (Abuse of inside information) and articles 185 and 187-ter (Market manipulation).



PART II – IDENTIFICATION OF INSIDE INFORMATION AND COMMUNICATION REQUIREMENTS

9 General provisions on Inside Information

9.1 Articles 114 and 181 of the TUF do not expressly indicate, from a typological standpoint, which information should be called inside information, but restricts itself to identifying the essential features which information must have in order to be qualified as inside information, consequently providing for an interpretation on a case by case basis. The paragraphs below provide the guidelines for a proper assessment of information and the related communication of this information, in order to avoid treatment which is untimely, incomplete or inadequate and cause information asymmetries amongst the public.

9.2 The following persons have the responsibility to assess the relevance of the information regarding the Company and its Subsidiaries for the purpose of making an entry in the Group Register of all those persons having access (in the case of Significant Information) or making a timely communication to the public of such information (in the case of Inside Information):

- a) **the Collegiate Body** for information arising during collegiate body meetings (Board of Directors, Executive Committee and other committees established by the Board) while internal and/or external communications regarding the implementation of the resolutions of the Collegiate Body shall be managed by the delegated persons identified in Annex A “Procedure for the preparation and dissemination of communications pursuant to article 114 of the TUF and article 66 of the IR”;
- b) **the Manager responsible for the preparation of company accounting documents, in conjunction with the Chief Financial Officer**, for information concerning accounting data and positions and forecast data and positions;
- c) **the Chairman or Managing Director and/or any Executive Director** for information handled directly by such;
- d) **the Managing Director and Managers and Heads of Department/Business Function** for all other information.

9.3 **Employees** are required to notify their Managers and Heads of Department/Business Function, without delay, as to any potential Significant or Inside Information regarding the Company and its Subsidiaries, which originates from within their organisational unit or which they become aware of as part of their work.

9.3 **Managers and Heads of Department/Business Function** must inform the Managing Director, without delay, as to the potential Significant or Inside Information communicated to them by their respective subordinates or which they become aware, indicating the persons who are aware of such or to whom the Information must be communicated due to their working or professional activities or due to the duties they perform.

9.4 If **the information is assessed to be Inside Information** pursuant to article 114, paragraph 1 of the TUF and article 66 of the Issuers’ Regulations, such information must be immediately made public, by the means provided in Annex A “Procedure for the preparation and dissemination of communications pursuant to article 114 of the TUF and article 66 of the IR” of this Code and in compliance with current laws and regulations. To this end the Managing Director must be promptly informed by the person who performed the assessment of the Inside Information.



10 Material Events

10.1 Article 66 of the Issuers' Regulations requires **(i)** issuers of financial instruments for which an application for admission to trading on Italian regulated markets, **(ii)** listed issuers and **(iii)** the persons controlling them to **disclose the information referred to in article 114, paragraph 1 of the TUF to Consob, Borsa Italiana and the public immediately**, meaning the facts not in the public domain, whose knowledge and appreciation may affect the process of valuing the issued financial instruments and as a consequence the level of the supply and demand for such coming from investors. Similarly, any significant change in Inside Information which has already been disseminated to the public shall be immediately communicated by the same means.

10.2 In addition the Issuers' Regulations include the requirement to disclose certain specific **Information** of a **Periodic or Extraordinary** nature, including in particular that relating to:

- accounting data which will be reported in the annual financial statements, consolidated financial statements or condensed half-year financial statements and information and accounting data that will be reported in interim management accounts when such data are disclosed to third parties, unless such third parties are bound by a confidentiality requirement and the disclosure is made pursuant to a legal obligation and in any case as soon as they have acquired a significant degree of certainty (**article 66, paragraph 3a**) of the **IR**);
- resolutions whereby the competent body approves the draft company financial statements, the proposed allocation of the result and/or dividend distribution, the consolidated financial statements, the condensed half-year financial statements or the interim management accounts (**article 66, paragraph 3b**) of the **IR**);
- news in the public domain but not disclosed within the meaning of the applicable provisions, concerning the issuer's assets and liabilities, profits and losses or financial position, extraordinary financial operations relating to the Company or its business performance if the price of the issued financial instruments varies significantly compared to the last price of the previous day (**article 66, paragraph 4** of the **IR**);
- forecasts and quantitative objectives concerning operations, accounting data for the period and any significant deviation with the data and objectives already disseminated (**article 68 of the IR**);
- envisaged compensation schemes pursuant to article 114-bis of the TUF (**article 84-bis** of the **IR**);
- written investment recommendations concerning the issuer, produced or circulated by such (**article 69-novies** of the **IR**);
- extraordinary operations such as mergers, spin-offs and share capital increases through the contribution of assets in kind (**article 70** of the **IR**);
- assets allocated to a specific business project as per articles 2447-bis and following of the Italian civil code (**article 70-bis** of the **IR**);
- significant acquisitions and disposals, identified on the basis of the general criteria stated in Annex 3B or at the request of Consob, in relation to the features of the operation (**article 71** of the **IR**);
- amendments to the bylaws and the issue of bonds (**article 72** of the **IR**);
- the purchase and sale of treasury shares (**article 73** of the **IR**);
- measures concerning the reduction of share capital for losses pursuant article 2446 of the Italian civil code (**article 74** of the **IR**);
- the annual financial report and report on operations (**articles 77-78 - 79** of the **IR**);
- the certification relating to the annual financial statements, consolidated financial statements and condensed half-year financial statements (**article 81-ter** of the **RE**);
- the interim management accounts (**article 82** of the **IR**);
- the information on any amendment to the rights associated with the classes of shares issued and on the means whereby such rights may be exercised (**articles 83-bis and 84** of the **IR**);
- the illustrative reports for shareholders' meetings (**article 84-ter** of the **IR**);



- the minutes of ordinary and extraordinary shareholders' meetings (**article 85** of the **IR**);
- compliance with codes of conduct and the commitments arising from these (**article 89-bis** of the **IR**).

10.3 A further List of Significant Events is that to be found in the Borsa Italiana "Guide for information for the market". A list of events which normally, in relation to their nature and size, might most often be considered as significant are provided below, by way of mere example:

1. entry into or exit from a business sector;
2. the resignation or appointment of directors or members of the board of statutory auditors;
3. the purchase or disposal of equity investments, other assets or businesses;
4. the resignation of the auditing firm or the revocation of the auditing engagement;
5. capital transactions or the issue of warrants;
6. the issue of bonds or other debt securities;
7. amendments to the rights of listed financial instruments;
8. losses of a size such as to significantly reduce equity;
9. mergers and spin-offs;
10. the stipulation and termination of, or amendment to, contracts or agreements;
11. the conclusion of processes relating to intangible assets such as inventions, patents and licences;
12. significant litigation;
13. changes in the company's strategic personnel;
14. transactions in treasury shares;
15. lodging applications and requests for admission to insolvency proceedings or the issue of measures regarding insolvency proceedings;
16. the issue of an auditor's report containing a qualified opinion, an adverse opinion or a disclaimer of opinion.

11 Prospective Information

11.1 Article 68 of the Issuers' Regulations governs the requirements for public disclosure concerning forecast data, quantitative objectives and periodic accounting data.

11.2 With specific reference to forecasts, in its Communication no. 6027054 of 28 March 2006, Consob considers it opportune to clarify that:

- a) the requirement to publish prospective information exists in all cases of the dissemination of prospective information to third parties, regardless as to whether such data may affect the prices of the related financial instruments;
- b) the issuers of financial instruments (listed or for which a request for admission to trading has been filed) are required to specify clearly at the time of publication (voluntary or compulsory) of prospective data, whether the data refer to genuine forecasts or strategic objectives established as part of business planning;
- c) in the event of any differences (positive or negative) between the disseminated prospective information and the quantitative objectives and the results deriving from periodic accounting situations or new forecasts relating to the same period, issuers are required to announce this to the public immediately ("profit warnings" and/or "earning surprises").



“Disseminated” prospective information and quantitative objectives in respect of which differences with respect to actual operational performance should be checked, mean data published either by the means indicated in article 66 of the Issuers’ Regulations or by fulfilling other requirements contained in the TUF and related implementation regulations, such as for example the schedules concerning investment and/or listing tenders. Changes with respect to the prospective information should be ascertained with reference not only to the results arising on the formal approval of periodic accounting situations but also with respect to subsequent prospective information drawn up by the same issuers which update the previous estimates referring to the same periods. The announcement to the public shall in all cases also indicate the reasons for said changes.

11.3 Principle no. 6 of Borsa Italiana’s “Guide to Providing Market Information” also provides clarifications on the contents of prospective information and the relative means by which issuers should handle this and disseminate it to the market, conforming with the general criteria of clarity and accuracy required for Significant Information. More specifically it requires that:

- “Issuers shall ensure that there is constancy in the disclosures in addition to continuity of the information” - (point 2) - to enable indicators to be compared and the basic assumptions which have led to the formulation of the prospective information to be understood;
- prospective information contained in information documents aimed at the public under the requirements of laws and regulations shall be communicated to the market “at the latest at the same time as the publication of these documents” to ensure parity of information;
- issuers shall communicate to the market their assessments of significant differences between the “results expected by the markets”, meaning by this “the consensual assessment of the results of the issuer expressed by persons carrying out analyses of the issuer’s financial instruments on a professional basis, in compliance with best international practice” on the basis for example of studies and analyses produced by financial analysts (the “consensus estimate”), and the expected results already communicated to the market by the issuers themselves.

12 Projects, Negotiations, Manifestations of Intent

12.1 Principle no. 3 of Borsa Italiana’s “Guide to Providing Market Information” recommends the following:

“1. Events such as manifestations of interest, including bilateral manifestations, the approval of plans, negotiations and all negotiation and non-negotiation conduct, aimed at concluding a transaction which constitutes a significant event within the meaning of Principle no. 2, shall be communicated to the market if the following exist jointly:

- (a) unambiguous signs of the fact that despite the adoption of suitable procedures to maintain the confidentiality of the information relating to the events in question, the confidentiality requirements have not been complied with by those persons who have become aware of such information;
- (b) substantiated reasons to assume that there will be a positive outcome to the transactions in respect of which such events constitute the initial or intermediary stages. Care shall be taken to ensure that that the communication indicates that there is uncertainty about the final outcome of the events.

2. For the purpose of 1a), the confidentiality of the information shall not be considered breached if the issuers or controlling parties communicate the information for official reasons to third parties bound to secrecy by law or contract.”

13 Information at shareholders’ meetings

13.1 Principle no. 4 of Borsa Italiana’s “Guide to Providing Market Information” recommends the following:



- “1. The communication at a shareholders’ meeting of significant information is only permitted if such is communicated to the market beforehand.
2. In the event of the involuntary disclosure at a shareholders’ meeting of significant information, such shall be communicated to the market on a timely basis.
3. If persons attending a shareholders’ meeting raise questions concerning events for which the conditions for applying Principles no. 2 and no. 3 do not hold, the directors may use the expression ‘no comment’ or the equivalent.”

14 Meetings with market operators

14.1 Principle no. 5 of Borsa Italiana’s “Guide to Providing Market Information” recommends specific disclosure formalities in the case of meetings with market operators.

14.2 For the purposes of this Code, this principle requires that:

- a) in the case of the organisation of or attendance at restricted meetings with financial analysts, institutional investors or other market operators, issuers must inform Consob and Borsa Italiana S.p.A. in advance as to the date, place and time of the meeting and the principal matters to be discussed there, providing them with the documentation made available to participants at the latest at the time the meetings take place. The issuers and Borsa Italiana S.p.A. will then make the documentation available to the public by means suitable for the purpose;
- b) in the case of meetings open to all market operators with no distinction, issuers must also arrange that representatives of the specialised means of information also attend.

14.3 The above Principle also recommends the need to make a communication to the market in the following cases:

- a) when the issuer intends to communicate prospective information or other Inside Information as part of meetings with market operators. In this case the issuer must communicate this information to the market in advance;
- b) when as part of these meetings prospective information or other Inside Information is communicated involuntarily. In this case the issuer must communicate this information to the market on a timely basis.

14.4 Consob Communication no. 6027054 states the above, noting that as far as concerns **information and news disclosed during meetings with financial analysts and regarding facts that while not being of a kind capable of having a significant effect of the price of financial instruments** (and for this reason not falling within the scope of article 114 of the TUF) **if published are however capable of causing effects on the trend in trading on the market**. As a result, therefore, alignment should be made to the provisions of paragraph 13.2, and the Issuer is required in particular:

- a) to open attendance at the meeting also to members of the economic press or, if that is not possible, to publish a press release by the means stated in article 66 of the Issuers’ Regulations which illustrates the main matters discussed;
- b) to prepare expedients to ensure that its subsidiaries comply with the above-stated principles.

14.5 If prospective information, quantitative objectives and accounting data are disclosed at the above-mentioned meetings, issuers must issue a communication with respect to such information pursuant to article 66 of the Issuers’ Regulations.



15 Rumours and news leaks

15.1 As noted in paragraph 10, the Issuers' Regulations require the issuers of listed financial instruments to inform the public as to the truthfulness of news in the public domain that has not been disseminated by the means specified by the Regulations which regards the assets and liabilities, profits and losses or financial position of such issuers or their business performance, if the price of their financial instruments varies significantly compared with the last price of the previous day.

15.2 Consob Communication no. 6027054 points out that "unlike the requirement concerning the communication of price sensitive events, this requirement does not arise on the basis of the ex ante ability of the news to significantly affect the price of securities, but rather as the result of a change in the price that should be assessed ex post".

As a result, in the situation when there is a significant price change, there is no significant difference if the changes in the price of the listed securities are in line with the performance of the specific sector, even though they lead to a considerable difference with the prices of the previous day.

15.3 In compliance with article 114, paragraph 4 of the TUF, the communication requirement also exists in the case of a news leak, meaning by this the loss of the confidentiality of significant information for a reason other than disclosure to the market in compliance with the applicable provisions of law.

In these cases, the above requirement for a communication to the market exists even in the absence of rumours and/or significant changes in prices.

15.4 Principle no. 8 of the "Guide to Providing Market Information" recommends the following to the issuers of listed financial instruments: "If, with markets closed or during the pre-opening phase, there is news in the public dominion that has not been communicated to the market which is capable of significantly affecting the price of the financial instruments, the issuers or parties controlling them should assess the appropriateness of informing the public as soon as possible concerning the truthfulness of the news, adding to or correcting its contents where necessary".

15.5 Principle no. 8, therefore, also takes into consideration the case when news exists in the public domain which has not been properly disseminated and may cause a change in the price of the financial instruments, without however this change having occurred yet because the market is closed or in the pre-opening phase.

16 Website

16.1. Consistent with the requirements of Principle no. 5 of the "Guide to Providing Market Information" and the recommendations of Consob in certain guidelines concerning the use of websites for information purposes, in particular on subjects regarding the management and updating of websites, the Company publishes the following on its website through the person responsible for such matters - the Investor Relator:

- a) its bylaws;
- b) the Group's consolidated financial statements, condensed half-year report and interim management accounts;
- c) the information communicated to the market together with the documentation distributed at meetings with market operators;
- d) its Code of Ethics, Internal Dealing Code of Conduct, Organisation, Management and Control Model and any other codes which may be introduced by the Company;
- e) the communications disclosed under article 66 of the Issuers' Regulations and the related translation in English, and internal dealing communications.

16.2 The Investor Relator ensures in particular that:

- a) there is a clear indication on each website page of the hour and date when the information was updated;



- b) in the event of mistakes in the information published on the Company's website the adjusting text in which the corrections made are highlighted is disseminated as quickly as possible;
- c) when information and news prepared by third parties is published the source of information is quoted;
- d) news is provided in communications specified by current legislation of any publication on the websites of the documents relating to the Significant Events reported in the communications which has not been published by other means;
- e) documents published on the Company's website are made available in their full version or that any summaries correspond to the information framework of the original document, with details of the means by which the documents may be obtained in original form;
- f) any cross references to other websites are made on the basis of accuracy and neutrality and in a way to enable the user to understand easily in which other website he is situated;
- g) there is an indication of the source and the actual time when the figures relating to the quoted prices and traded volumes of any financial instruments reported were noted;
- h) the Company's website may be freely consulted, avoiding, also in the case when third parties manage the pages, influencing access by investors to the preventive communication of information and news;
- i) there is the utmost prudence in interventions on financial information websites or discussion forums, in order not to alter informational equality between investors;
- j) adequate editorial criteria are used in reporting information and news on website pages, which take into account the information function of the financial communication to investors, avoiding in particular the pursuit of promotional objectives;
- k) in the case of the publication of documents and/or communications also in English, the English version and the Italian version are equivalent.

17 Delays in communication

17.1 The Company may delay the divulgation of Inside Information if there is a "legitimate interest" which would be prejudiced by communication to the public (see article 66-bis, paragraph 1 of the Issuers' Regulations).

17.2 The "legitimate interests" of Reno De Medici and its controlling parties assume relevance while the legitimate interests of third parties are not considered worthy of the legitimate interest protection if the prejudice in their case does not have repercussions, indirectly, on the interests of the listed issuer or the controlling issuer.

17.3 Pursuant to article 66-bis, paragraph 2 of the Issuers' Regulations, the delay may be considered legitimate if:

- a) the communication to the public of the information may compromise the outcome or normal pattern of the negotiations in course or connected elements;
- b) the communication to the public of the information would prejudice the conclusion of negotiations designed to ensure long-term financial recovery, in the event that the financial viability of the Group is in grave and imminent danger, or where there is the risk of jeopardising the interest of existing and potential shareholders as this may undermine the conclusion of such negotiations;
- c) the communication to the public of decisions taken or contracts made by a management body together with the simultaneous announcement that the effectiveness of such operations is subject to the approval of another body other than the shareholders' meeting, may jeopardise the correct assessment of the information by the public.

17.4 In all cases of delay in communicating the Inside Information to the market, where the Company, in compliance with current laws and regulations has an existing authorisation to trade in its own shares, a block on trading in such shares must be introduced until the Inside Information has been communicated to the



Code for Handling Inside Information

market, due to the delay in communication; a block must similarly be introduced for trading in financial instruments other than the treasury shares to which such Inside Information relates.

17.5 A delay in communication is also applicable with reference to the events and circumstances of Subsidiaries.



PART III – RULES FOR HANDLING SIGNIFICANT AND/OR INSIDE INFORMATION

18 Rules for handling the Information internally

18.1 The Managers and Head of each Department/Function must ensure that the Significant Information and the Inside Information are only known by employees of the Department/Function for whom such knowledge is necessary for being able to carry out their jobs; these persons must be identified pursuant to paragraph 5.1 above and their names entered in the Group Register following the procedure stated in Annex B.

18.2 Persons to whose knowledge such Information is brought must be made aware of the confidential nature of such (the responsibility of the Head of their Function and in any case in relation to the entry of their name in the Register as per Part V of these Regulations) and of the legal and regulatory duties that derive from such awareness, as well as the possible sanctions applicable in the event of the abuse or unauthorised disclosure of the Information.

18.3 **Hard copy documents** containing Significant Information or Inside Information must be stored in suitable files or folders containing the description “confidential documents” (or similar wording) on the front.

18.4 **Electronic documents** must at least on the page heading contain the description “confidential document” (or similar wording) and must be stored in suitable electronic folders named with the identification code of the dossier, to which access is only allowed to authorised persons.

18.5 **All** support containing Significant Information or Inside Information (hard copy documents, electronic documents, etc.) must be stored in a closed place or one capable of being closed (a locked cabinet, a safe, other places) by and under the responsibility of the person in possession of such, to ensure that only authorised persons have access to the documents.

18.6 If any confidential information is accidentally lost or removed, the Managing Director or Reference Person must be informed of this fact, specifying the conditions and circumstances of the loss or removal in order that appropriate measures may be taken.

18.7 The addresses on letters, packs and packages containing the above-mentioned information must include a reference to the recipient and the wording “confidential/personal” in order that these may be delivered solely to the recipient for opening by such.

18.8 Letters or documents despatched by email must be sent/received by the persons identified and authorised to be aware of the specific information contained therein.

19 Rules for access to the Information by external persons

19.1 **Significant Information and Inside Information may only be communicated to persons outside the Company for reasons of work or professional activities or for reasons of the duties performed and then only on condition that the recipients of the information are subject to a legal, regulatory or contractual obligation or one imposed by the bylaws; if such is not the case they must be required to sign specific confidentiality agreements in advance.**

19.2 The Company must use the utmost prudence in identifying external persons to whom the information will be communicated, as the lack of the above pre-requisites will lead to the requirement to fully disseminate the information to the public, pursuant to article 114, paragraph 4 of the TUF.



19.3 As an exception to the requirements of paragraph 19.2, in case the need and/or opportunity arises to communicate Significant Information or Inside Information to a person who is not bound by a confidentiality obligation or who has not signed a confidentiality agreement in advance, this fact must be authorised in advance by the Managing Director who shall issue instructions to make a simultaneous communication to the public of such information, by the means required by law and these Regulations.

19.4 In case of the unintentional communication of Significant or Inside Information to a person who is not bound by a confidentiality obligation or who has not signed a confidentiality agreement in advance, the Managing Director must be immediately informed of this and he or she must issue instructions so that such information be communicated to the public without delay by the means required by law, these Regulations and the “Communication Procedure” as per article 114 of the TUF and article 66 of the IR.

19.5 In the case of continuous relationships with persons acting on behalf of the Company and who have access to Significant or Inside Information, without altering the fact that the names of such persons must be entered in the Group Register as per the “Procedure for managing the Register of Persons having access to Inside Information” attached as Annex B to this Code, **such persons must be made aware of the obligations deriving from being entered in the Register.**



PART III – INFORMATION FLOW FROM THE SUBSIDIARY

20 General provisions

20.1 In relation to the requirements of article 114, paragraph 2 of the TUF, this Code must be brought to the knowledge of the Subsidiaries of Reno De Medici. For this purpose, the Managing Director, through the Keeper of the Register, shall arrange for the despatch of a copy of the Code to the Chairman of the Board of Directors or Sole Director of each Subsidiary.

20.2 The Boards of Directors of the Subsidiaries/the Sole Director must:

- a) acknowledge the Company's communication;
- b) introduce, compatible with a company's organisational structure, a procedure similar to that introduced by the Company for the circulation of Significant Information or Inside Information or delegate Reno De Medici to manage and make entries in its own Register of Persons having access to information which could affect the Issuer's securities; identify the person or persons delegated to provide notification to the Parent of such information.

20.3 The Subsidiaries are required to inform the Company, in the person of the Managing Director, if a set of circumstances or event emerge which constitutes or might constitute Significant Information or Inside Information.

20.4 The management body of the Subsidiaries, or the person delegated by such, has the responsibility of properly identifying and handling Significant Information or Inside Information in compliance with the Regulations issued by the Company, and of communicating this on a timely basis.

20.5 The Subsidiaries must communicate the names of the persons having access to the aforesaid Significant Information or Inside Information on a timely basis, in order that these may be immediately entered in the Group Register set up by Reno De Medici S.p.A.

20.6 The communication of any Significant Information or Inside Information to persons outside the Subsidiary must comply with the provisions of paragraph 19 of Part III of this Code.



PART IV – FINAL PROVISIONS

21 Distribution of the Code

21.1 Under the instruction of the Managing Director this Code is distributed by the Keeper of the Register to the persons named in paragraph 5.1, by the means defined below.

21.2 The Managing Director or the Keeper of the Register shall make a copy of the Code available to the persons listed in paragraph 5.1, respectively:

- a) on accepting the appointment, in the case of members of the management and control bodies of Reno De Medici and its Subsidiaries;
- b) on being entered in the Group Register for the first time, in the case of employees and managers and Heads of Department of Reno De Medici and its Subsidiaries;
- c) on being engaged in the case of other Informed Persons.

22 Amendments and additions

22.1 Any amendments and/or additions to this Code and its Attachments shall be made by the Managing Director subject to the prior favourable opinion of the Supervisory Board and the Internal Control Committee, and reported to the Board of Directors.

23 Failure to comply with the Code

23.1 The following shall apply in the event of the failure of the members of the management or control bodies of Reno De Medici or its Subsidiaries or Parents to observe the provisions of this Code, or of the person or entity engaged to perform the accounting control of these companies to comply with the provisions of this Code, without prejudice to any additional responsibilities of a different nature under legislation in force at the time:

(a) the competent management or control body may make a proposal to the competent body for the removal for just cause of the member who has failed to comply with the Code, or the revocation of the engagement assigned to the person or entity engaged to perform the accounting control who or which has failed to comply with the Code.

23.2 For employees of the Company and its Subsidiaries, such obligations and prohibitions form an integral part of the obligations of their employment relationship pursuant to and by the effects of article 2104 of the Italian civil code and the failure to comply with such may assume relevance in respect of the application of any disciplinary sanctions envisaged by applicable legislation, without prejudice to any additional responsibilities of a different nature with regard to the provisions in force at the time and the applicable collective contracts.

23.3 For persons providing their work and/or professional activity in favour of the Company and its Subsidiaries on the basis of a relationship other than subordinated employment, the failure to comply with the Code may assume relevance pursuant to and by the effects of the provisions of laws and contracts which govern the individual relationship, in the more serious cases to the point of leading to the termination of such, without prejudice to any additional responsibilities of a different nature.



24 Effective date

24.1 This Code is effective from the date of its approval which was given by means of a resolution of the Board of Directors of 4 November 2011.

25 ANNEX A – Procedure for the preparation and dissemination of communications pursuant to article 114 of the TUF and article 66 of the IR

26 ANNEX B – Procedure for managing the Register of Persons having access to Inside Information

RenoDeMedici



**Procedure for the preparation and dissemination of
communications pursuant to article 114 of the TUF and
article 66 of the IR**

Updated and approved by the Managing Director (2011 version): Ignazio Capuano



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1. Introduction

This procedure governs the management of information and the disclosure of information to the market in order to prevent improper use of that information and avoid asymmetries in the dissemination of news which may lead to direct repercussions on the performance of the share of Reno De Medici S.p.A. (hereafter the “Company”).

Current legislation on market disclosures requires the Company to communicate inside information (as defined in paragraph 2 below) which relates directly to Reno De Medici S.p.A. and its subsidiaries (hereafter also the “Group”).

Given the particular sensitivity of such information, the Italian legislator has provided for a specific discipline for market disclosure, together with precise regimes of responsibility in the event of the improper use of such, and namely:

- responsibility regimes - criminal and administrative - governed by articles 184 and 187-bis (for the abuse of inside information - insider trading) and 185 and 187-ter (for market manipulation) of Legislative Decree no. 58/1998;
- administrative responsibility regimes as per article 25-sexies of ex Legislative Decree no. 231/2001, in the case or responsibility attributable to the entity.

In particular, the Company has adopted specific supervisory and control activities in order that having noted that the information is inside information, the persons in possession of or with access to this information comply with such provisions.

The objective of this procedure is therefore to define the operational procedures for managing and handling all Significant Information, placing special emphasis on the procedure for disclosing documents and Inside Information regarding the Group externally, together with defining the obligations and responsibilities of the persons involved.

The procedure is designed to maintain the confidentiality of the Significant Information, at the same time ensuring that Inside Information is disclosed to the public in a proper, clear, fair and timely manner, guaranteeing the widest protection for the Company and investors against abuses by persons who have access to Inside Information. The procedure has been drawn up in compliance with:

- i. existing legislation applicable to companies listed on Italian regulated markets, and in particular:
 - a. article 114 of Legislative Decree no. 58/1998, the “Consolidated Finance Law” (hereafter the “TUF”) concerning Inside Information;
 - b. article 66 of the Consob Regulation (hereafter the “IR”) governing the means by which Inside Information must be disseminated, as well as all the other articles on the subject;
 - c. Communication no. DME/6027054 of 28 March 2006 regarding “*Information for the public on relevant events and circumstances and measures to prevent market abuse – Recommendations and clarifications*”;
 - d. article 4¹ of the Corporate Governance code for listed companies to which the Company adheres;
- ii. internal requirements contained in :
 - the Code for Handling Inside Information (hereafter the “Code”);
 - Special Section No. 3 “Offences regarding the Abuse of Inside Information and Market Manipulation” of the Organisation, Management and Control Model drawn up pursuant to ex Legislative Decree no. 231/2001 (hereafter the “Model”);
 - the Code of Ethics drawn up and adopted by the Company;

¹ 4.P.1. “Directors and members of the board of statutory auditors shall keep confidential the documents and information acquired in the performance of their duties and shall comply with the procedure adopted by the issuer for the internal handling and disclosure to third parties of such documents and information.”

4.C.1 “The managing directors shall ensure the correct handling of corporate information; to this end they shall propose to the board of directors the adoption of a procedure for the internal handling and disclosure to third parties of documents and information concerning the issuer, having special regard to inside information”.



- the procedure governing Related Party Transactions.

The operational procedures described below also supplement the “Procedure for managing the Register of Persons having access to Inside Information” drawn up and adopted by the Company.

Once information has been identified as Significant and/or Inside Information and once it has been ascertained that the person has possession or access to such, as a result of the exercising their employment or profession or as a result of the duties they perform, the name of the person or persons having access to such information shall be entered in the Register until such time as the information is disseminated to the public.

2. Scope

This procedure is applicable to all the information assessed by Reno De Medici as being Inside Information, namely that information for which the Company is required to make a communication pursuant to article 114 of the TUF and article 66 of the Consob Issuers’ Regulations² (hereafter the “IR”). Falling within this scope, therefore, is all the information relating to Group companies and Subsidiaries which may affect the Company’s listings.

The procedural requirements contained herein are addressed to the Administrators, Directors, Statutory Auditors and Heads of Department/Function/Unit, as well as all the employees and collaborators who working in any capacity on behalf of Reno De Medici S.p.A. or its Subsidiaries obtain knowledge of Significant Information and/or Inside Information in performing the tasks and duties assigned to them. These requirements are at the same time also applicable to persons in the Subsidiaries who are required to maintain the utmost confidence if, as part of their specific duties or jobs, they come into the possession of Significant Information and/or Inside Information relating to the Company which may considerably change the price of the Company’s securities.

3. Rules of Conduct

All Recipients involved in any capacity in the handling of Significant Information and/or Inside Information must abide by the provisions of law existing on the subject and the rules of conduct described in the Code, as well as those stated in the Organisation, Management and Control Model adopted pursuant to Legislative Decree no. 231/2001, in the Code of Ethics and in the Internal Regulations adopted by the Company.

In general all recipients are required to:

1. Maintain the utmost confidentiality - and therefore not disseminate or unduly request information about documents, know-how, business operations or, in general, any information obtained as a result of the exercising their employment, always complying with current legislation.
2. Handle the Significant Information and/or Inside Information by taking all necessary care that the information may circulate within the business without prejudice to its nature, complying with the operational procedures stated in the paragraphs below.
3. Abstain from disseminating either inside or outside the Group, through any information channel, information, items or news not corresponding to reality or whose truthfulness is not certain, which is capable of, or even be only potentially susceptible to, providing false or misleading indications with respect to the Company and its Subsidiaries.
4. To commit themselves, with regard to Significant Information and/or Inside Information acquired during the exercise of their duties, to strict compliance with all physical and logical security measures established by the Company to satisfy legislative requirements on personal data protection.

In addition, the following persons are required to comply with the provisions described:

- the Directors of the Company and its Subsidiaries are required to keep confidential any documents and information they acquire during the performance of their duties; the Statutory Auditors of the Company and its Subsidiaries are required to keep confidential any documents and information they acquire during the performance of their duties;
- Managers and the Heads of Department/Function and in any case all employees who obtain knowledge of an item of confidential information must not disclose this to others other than for official or professional reasons. Documents relating

² On matters regarding issuers, approved by Consob with resolution no. 11971/99 as subsequently amended and supplemented.



to Significant Information and/or Inside Information must in all cases be distributed internally and to third parties in accordance with the requirements of Part III of the Code, in order to avoid jeopardising the Company or the Group or undue dissemination;

- consultants, auditors and other collaborators (not employees) who are engaged by the Company must sign a confidentiality agreement concerning the Significant Information and/or Inside Information of which they may become aware during the performance of their engagement;
- persons belonging to the Parent who as the result of specific activities or processes (e.g. financial statements, financial reports, prospective data, management data, extraordinary operations) have access to Inside Information are required to keep this information confidential. Any rules of conduct adopted by the Parent must comply with the contents of this procedure.

4. Rules of Conduct

The Collegiate Bodies (or person or body delegated by such) and all of the Subsidiary's employees are required to comply with all the above provisions as part of exercising their employment or profession as well as in their relations with third parties.

The persons involved and their responsibilities are as follows.

The **Collegiate Bodies** are responsible for:

- assessing the significance of the information arising during meetings and internal and external events or the extraordinary operations being reviewed;
- authorising the dissemination of information to the public concerning accounting data which will be reported in the annual financial statements, the consolidated financial statements, the condensed half-year financial statements or interim management accounts as well as prospective information and data, management information and quantitative objectives if these are to be reported in such documents.

The **Managing Director** has the responsibility for:

- ascertaining that the information has the nature of Inside Information or Significant Information;
- assessing the dissemination to the public of internal or external events which may affect the Company's assets and liabilities, profits and losses or financial position, or its positioning on the market or image, as well as that of extraordinary operations, prospective data and quantitative objectives;
- assessing the Significant Information or Inside Information disclosed by the Chairman together with any other information regarding the Subsidiaries;
- requesting the Keeper of the Register to enter persons in the Register having access to Significant Information and/or Inside Information which has not yet been disclosed to the public;
- assessing in conjunction with the Head of the Company's Legal and Company Secretarial Affairs Department the need to ask third parties to sign confidentiality agreements;
- authorising the dissemination to the market of Inside Information and validating the draft disclosure;
- assessing the requests for clarification by Consob and if necessary authorising the despatch of a substantiated petition;
- assessing the need to delay the dissemination of Inside Information.

The **Investor Relator**³ has the duty to:

³ In exercising his duties the Investor Relator may use the services of an external company specialising in drawing up and managing external communications. The work performed by the external company shall be governed by a suitable agreement complying with current legislation and the requirements of the ex Legislative Decree no 231 Model.



- drawing up the text of the communication to be disseminated to the market, in conjunction with the competent Heads of Function;
- disseminating the Inside Information in accordance with the laws and regulations of reference;
- updating the Company's website on a timely basis with the communications released to the market;
- transcribing the information provided to analysts/institutional investors, the press and the market and assessing the need to report to the Head of the Company's Legal and Company Secretarial Affairs Department and the Keeper of the Register any involuntary leaks of information in order that appropriate action may be taken;
- send the press releases to the Keeper of the Register in order that he may update the register for the persons having access to Inside Information.

The Manger Responsible for the Preparation of Company Accounting Documents has the duty to prepare and sign the attestation pursuant to article 154-bis, paragraph 2 of the TUF⁴ in the case of information regarding the Company's assets and liabilities, profits and losses or financial position.

All the **Heads of Department/Function** (*Head of Administration, Finance and Control, Head of Human Resources, Head of Production, Head of Purchases and Logistics, Sales Manager, IT Function, Energy Manager, Strategic Product Development Manager and Head of the Company's Legal and Company Secretarial Affairs Department*) have the duty to:

- ensure that the documents containing Significant Information and/or Inside Information are handled by the collaborators with prudence and confidentiality and in particular that hard copy and/or electronic documents bear the wording "confidential documents" (or similar);
- make a request the Managing Director for an entry in the Register of Persons having access to Significant and/or Inside Information belonging to their Department/Function;
- notify the Managing Director without delay as to the entry in the Register of information having the nature of Inside Information or which is potentially such;
- collaborate with the preparers of releases and check that they are correct for the part of their respective competence.

The **Head of the Company's Legal and Company Secretarial Affairs Department** has the duty to:

- support the Managing Director in checking that the information communicated by the persons has the nature of Inside Information;
- assess in conjunction with the Managing Director the need to request third parties to sign confidentiality agreements;
- ensure the presence of confidentiality clauses in all agreements signed by the Company;
- draw up confidentiality agreements with third parties in the following situations, given by way of example but not restricted to such: the drawing up of projects, opinions on extraordinary operations;
- request the Keeper of the Register to enter the persons having access to Significant Information and/or Inside Information;
- file all contracts and agreements signed with third parties.

The **Keeper of the Register** has the duty to:

- keep the Register updated as per article 115 of the TUF, in accordance with internal provisions as set out in the "Procedure for managing the Register of Persons having access to Inside Information".

All the **Recipients** of this procedure have the duty to:



- report their possession of and/or access to Significant Information and/or Inside Information to the Managing Director and/or the person delegated by him for this purpose;
- comply with the rules of conduct indicated in this procedure, in the Regulations and in the Code of Ethics adopted by the Company.

5. General Principles

Pursuant to article 114 of the TUF, listed issuers and persons or entities controlling them must communicate “without delay” (or without unjustified delay) the inside information as per article 181 of the TUF which regards issuers and subsidiaries directly.

Pursuant to article 66 of the Regulations regarding issuers, approved by Consob with resolution no. 11971/99 and subsequent amendments and additions (in brief the IR):

- the disclosure obligations referred to in Article 114, paragraph 1 of the TUF shall be deemed fulfilled when, **on the occurrence of a set of circumstances or an event, albeit not yet formalized**, the public has been promptly informed thereof. Events or circumstances which are not yet formalized shall mean events or circumstances which have in any case already occurred but which have not definitively been made official.

If doubts should exist with reference to facts which have occurred in the sphere of activities of Reno De Medici, the persons or entities controlling it or the Subsidiaries and which concern the ability of the facts to significantly affect the performance of the listed prices of the Reno De Medici shares, then the criteria stated in Part I and Part II of the Code, in Consob Communication no. 6027054 and in the following paragraph shall apply.

6. Disclosures to the Market

Inside Information is normally communicated to the public by press releases prepared in accordance with the communication formats contained in the Instructions accompanying the Market Rules (cf. section IA.2.6 of the Instructions accompanying the Market Rules).

Article 66, paragraph 2, of the Issuers’ Regulations approved by Consob, states:

- a) press releases must contain **suitable elements** for permitting a complete and correct assessment of the events and circumstances reported and references to and comparisons with the content of earlier press releases: the prerequisites which the market requires of the information in order that it may function effectively are accuracy, completeness, clarity, equity and the effective need to divulge it to the market without creating confusion or being misleading for the investor;
- b) **any significant changes concerning already publicly disclosed inside information** must be disclosed to the public **without delay** in the manner specified in paragraphs 2, 3, 4 and 5 of the Issuers’ Regulations;
- c) the public disclosure of inside information and the marketing of their activities must not be combined in a manner likely to be misleading;
- d) the public disclosure of inside information must be synchronized as closely as possible between all categories of investors in all the Member States in which the issuers have requested or approved the admission to trading of their financial instruments on a regulated market. There must accordingly be no form of selective disclosure.

Press releases **must be prepared by taking account of the recommendations and clarifications provided by Consob**, and in particular Communication no. DME/6027054 of 28 March 2006 “*Information to the public on significant events and circumstances and measures to prevent market abuse - Recommendations and clarifications*”; in addition, account should also be taken of the formats established by Borsa Italiana in the Instructions accompanying the Market Rules (applying article 67 of the IR).

Communications **must be published by the means provided by article 66 of the IR and those established by Borsa Italiana in the Market Rules** (applying article 67 of the IR).

6.1 Internal management

Any Informed Person who, in the light of the guidelines included in Part II of the Code believes that the Company is required to disclose a piece of Inside Information to the Market of which he has become aware, relating to facts occurring in the sphere of



activity of Reno De Medici or its Subsidiaries, and in respect of which the disclosure requirements to the public have not yet been fulfilled shall without delay notify the following of such circumstance:

- o the Managing Director;
- o the Chief Financial Officer;
- o the Keeper of the Register.

In particular, significance is assessed by the following persons, depending on the type of information, and the result of the assessment is communicated to the Managing Director:

- o **accounting situations:** the CFO assesses the degree of certainty of the accounting situations and the information to be reported in the consolidated financial statements, the condensed half-year financial statements and interim management reports and any other information originating from accounting situations, in order to absolve the obligation for disclosure to the public pursuant to article 66, paragraph 7 of the IR;
- o **prospective data, quantitative objectives and periodic accounting data:** the CFO, with the support of the Controller, compares the actual operational performance with the disclosed prospective data and quantitative objectives, analysing any significant differences;
- o **projects, the development of new projects, events, extraordinary operations:** the Managing Director assesses whether the following conditions hold jointly:
 - a) evidence of the failure to comply with confidentiality requirements and hence it becomes highly probable that the information has been disclosed in an improper manner;
 - b) existence of substantiated reasons to presume that there will be a positive outcome from the operations underlying the events under discussion.

Conversely, the following are not subject to timely disclosure: those facts such as the approval of projects or programmes, negotiations or manifestations of intent, including of a bilateral nature, whose significance is not determined by the event as such, given that they arise within complex proceedings for carrying out operations which are indeed significant;

- o **information emerging during collegiate meetings:** (e.g. extraordinary operations, contractual agreements): the assessment is made by the Collegiate Body itself;
- o **information emerging during shareholders' meetings:** it may occur for example that as the result of specific questions raised by shareholders significant facts are involuntarily disclosed which have not yet been divulged to the market but are capable of affecting an investor's investment/divestment decisions. In this case it is up to the Chairman and Managing Director to assess the effective significance of the information;
- o **information regarding related party transactions:** the assessment is carried out by the Related Party Committee;
- o **other information:** the assessment of the significance of all other inside information for the purpose of public disclosure is remitted to the responsibility of the Chairman and/or Managing Director, with the support of the Investor Relator for the information managed directly by these persons.

The Managing Director, also on the basis of the findings of the other persons mentioned above, establishes whether:

- a) to make the disclosure of the Inside Information to the market, in compliance with the provisions of this procedure, or
- b) to delay the public disclosure of Inside Information if such disclosure may jeopardise the realisation of an operation being carried out by the Company (or a Subsidiary) or, for reasons relating to the fact that the events or circumstances are not adequately finalised, lead to incomplete assessments being made by the public.

If the Managing Director takes decision **a)** above, the Investor Relator, with the support of the Heads of Department/Function involved in the event subject to disclosure, draws up the communication and submits it for the approval of the Managing Director.

If on the other hand the Managing Director takes decision **b)**, the Investor Relator, with the support of the Chief Financial Officer and the Head of the Company's Legal and Company Secretarial Affairs Department, draws up the communication to Consob required by article 66-bis, paragraph 4 of the Issuers' Regulations, specifying in such the circumstances justifying delaying the disclosure of the Inside Information to the market. The text of the communication to Consob is submitted for the approval of the Managing Director and is sent to Consob by the Investor Relator.

Every person who has become aware of Inside Information regarding a Significant Event which has occurred in the sphere of activity of Subsidiaries, shall notify the following of such without delay:

- a) the Board of Directors of Reno De Medici,



- b) the Managing Director of the Subsidiary;
- c) any persons who may be identified by the Managing Director of the Subsidiary, indicating that reporting has been made under article 114 of the TUF.

7. Dissemination of Inside Information

Inside Information is disseminated to the market in accordance with article 114 of the TUF. On ascertaining the existence of an event capable of influencing the listed prices and relating to the sphere of activity of the Company or the Subsidiaries the Company must inform the public immediately of this.

This duty falls to the exclusive competence of the Investor Relator, subject to the explicit prior authorisation of the Managing Director and/or the Chairman, as well as the Board of Directors where competent.

In particular, the procedure for arriving at the communication of the Inside Information is as follows:

- a. *preliminary authorisation* - the Managing Director and/or the Chairman or the Board of Directors authorises the external dissemination of information;
- b. *preparation of the communication* – the Investor Relator prepares the text of the release with the support of the Heads of Department/Function involved and has the final responsibility for the disclosed information;
- c. *preliminary checks* - the Heads of Department/Function involved and possibly also the Manager Responsible for the Preparation of Company Accounting Documents, depending on the subject of the communication, review it for accuracy and completeness;
- d. *attestation* - in the case of data and information regarding the Company's assets and liabilities, profits and losses or financial position, the Manager Responsible for the Preparation of Company Accounting Documents prepares and signs the attestation as per article 154-bis, paragraph 2 of the TUF;
- e. *validation* - the Investor Relator forwards the draft communication to the Managing Director and Chairman for formal authorisation of the dissemination and to the Head of the Company's Legal and Company Secretarial Affairs Department for information;
- f. *translation* – the validated text is entrusted to the person engaged to carry out the translation into English, who has a contractual responsibility and whose name is entered in the Register of Persons having access to inside information. The timing of the translation is dictated by two needs: (i) to keep the time between the despatch of the draft communication to the translator and disclosure to the market to a minimum; (ii) where possible to disseminate the communications in Italian, English and Spanish at the same time;
- g. *transmission* – the Investor Relator sends the communication to Borsa Italiana, Consob and the press agencies via the “*Network Information System*”(NIS), in compliance with the reference legislation and timing defined in such;
- h. *update of the website* - publication of the communication on the Company's website.

The time required for the dissemination of the Inside Information after it has been identified must be kept to a minimum. In particular, a list is provided below of the information which must be disclosed by the end of the day of identification or by the end of the first following open market day:

- resolutions of the Board of Directors relating to actions or operations of an inside nature, accounting situations (annual financial statements, consolidated financial statements, condensed half-year financial statements, interim management accounts), matters to be approved by shareholders' meetings and matters regarding the performance of significant stages of operations which have already been approved;
- resolutions of shareholders' meetings regarding matters on the agenda;
- the signing of preliminary agreements which are substantially final;
- the signing of agreements and settlements;



- operations which are reasonably certain in accordance with principles of correctness and good faith, even though a formal decision is still missing;
- information provided by Reno De Medici to reporters, financial analysts and institutional investors;
- new which is not in the public domain but which may be classified as inside information which is disclosed during the pre-opening stage of the markets or after they have closed by persons not belonging to the Group (so-called rumours) about which Reno De Medici believes that it must provide clarifications.

The above procedure must be documented and the related supporting documentation, with evidence of the controls performed, must be filed by the Investor Relator..

The same procedure is followed under the urgent regime, without any delay, if any information considered to be Inside Information enters the public domain following a leak of information.

8. Disclosures to Analysts/Institutional Investors, the Press and the Market

In addition to the Chairman and Managing Director, interviews and meetings with analysts/investors and reporters, as well as participation at conferences and seminars whose subject is Inside Information, may also be carried out by the Investor Relator and other persons, subject to the explicit prior authorisation of the Managing Director and/or the Chairman of Reno De Medici S.p.A..

Accordingly any other person (including the Directors and the Statutory Auditors of Reno De Medici) is forbidden to make official statements on behalf of the Company, unless expressly authorised by the Managing Director, and in any case this must always be done through the Investor Relator.

Public disclosures by whomever they are made during interviews, conferences or seminars **must always be limited to matters already disclosed to the public**, on the basis of current legislation, in prospectuses and in documents and communications disseminated to the market.

8.1 Internal management

To enable checks and other measures for which they are responsible to be carried out the imminence or mere possibility of interviews must be communicated with reasonable notice to the Chairman and/or Managing Director and to the Investor Relator, together with the subjects which may be discussed.

On the basis of the significance of the subjects, the Investor Relator normally, and except for the case when the events under consideration are carried out by the Managing Director, requests the authorisation of the Managing Director for such interviews.

Public speeches or interviews regarding the activities or the accounting and prospective data or the plans of Reno de Medici or its Subsidiaries may not be carried out without the prior authorisation of the CFO or the Managing Director, in accordance with the previous paragraph.

Communications must be made in a complete, timely and adequate manner, avoiding possible asymmetries between investors or the creation of situations which may in any case alter the performance of the listed securities. In order to achieve this the procedure described in the previous paragraph must be followed (points a. to d.).

In the event of verbal communications, it is the Investor Relator's duty to monitor the information provided by means of hard copy transcriptions in order to be able to report to the Managing Director on a timely basis any involuntary disclosure of information of an inside nature which may have been made, as a result of which the procedure as per § 5.2 must be then be activated.

9. Communications for Comments on Rumours

The Investor Relator monitors the performance of the share and the financial information in the public domain (financial press, agencies, financial websites, etc.) concerning the Company in order to identify any rumours which may lead to a significant change in the price of the financial instruments compared to the closing price of the previous day.



If there is a significant change in the price due to rumours, the Investor Relator must notify the Chairman and Managing Director of this immediately in order that they may assess the need to issue a press release to reinstate the conditions of informational parity and provide information as to the truthfulness of the news, adding or correcting its contents as may be necessary

The dissemination process is that described in paragraph 7.

10. Requests from Consob for Clarifications

Any request from Consob for clarifications pursuant to article 114, paragraph 5 of the TUF⁵ as the result of the dissemination of releases containing Inside Information made by Reno De Medici or as the result of other events, such as rumours, by way of example but not restricted to this, or unusual trends in the security, must be reported on a timely basis by the relative recipients to the Head of the Company's Legal and Company Secretarial Affairs Department and to the Investor Relator, who will initiate the procedure described in § 5.2.

If the Managing Director believes that the request by Consob for clarifications is unfavourable for the Company pursuant to article 114, paragraph 6 of the TUF⁶, he must authorise the preparation of a substantiated petition to be sent to Consob⁷.

11. Sanctions

The law establishes criminal and administrative sanctions on those persons who being in possession of inside information use such to carry out stock market transactions, directly or indirectly, on their own behalf or on the behalf of third parties, communicate the information to third parties without justified reason, or recommend or induce others to carry out these transactions (abuse of inside information (insider trading) as per article 184 of the TUF), or disseminate false information capable of causing a significant alteration in the price of the listed financial instruments (market manipulation as per article 185 of the TUF).

With specific reference to criminal sanctions, for the abuse of inside information (insider trading) the law provides for imprisonment of between one and six years and a fine of between twenty thousand and three million euros for any person who, possessing inside information by virtue of his membership of the administration, management or supervisory bodies of an issuer, his holding in the capital of an issuer or the exercise of his employment, profession, duties, including public duties, or position:

- buys, sells or carries out other transactions involving, directly or indirectly, for his own account or for the account of a third party, financial instruments using such information;
- discloses such information to others outside the normal exercise of his employment, profession, duties or position;
- recommends or induces others, on the basis of such information, to carry out any of the transactions referred to at the first point.

On the other hand for the offence of market manipulation the law provides for imprisonment of between one and six years and a fine of between twenty thousand and five million euros for any person who disseminates false information or sets up sham

⁵ Article 114, paragraph 5 of the TUF: "Consob, on a general basis or otherwise, may require persons referred to in paragraph 1, **listed issuers for which Italy is the home Member State**, the members of the management and control bodies, managers and persons who hold a major holding pursuant to article 120 or who are parties to a shareholders' agreement pursuant to article 122 to publish, in the manner it shall establish, the information and documents needed to inform the public. Where such persons fail to comply, Consob shall publish the material at their expense".

⁶ Article 114, paragraph 6 of the TUF: "Where persons indicated in paragraph 1 submit justified claim to the effect that public disclosure of information pursuant to paragraph 5 could seriously harm them, the disclosure obligations shall be suspended. Within seven days Consob may waive the requirement to disclose all or part of the information permanently or temporarily, provided this is not likely to mislead the public with regard to essential facts and circumstances. On expiry of said deadline, the claim shall be deemed accepted".

⁷ For more information concerning relations between the Company and the supervisory authority reference should be made to the "Procedure for managing relations with and inspections by the supervisory authority".



transactions or employs other devices concretely capable of producing a significant alteration in the price of the listed financial instruments.

Without prejudicing the possibility for Reno De Medici to take action for any damage and/or responsibility that it may suffer from conduct breaching this procedure by the persons concerned, the failure to comply with the requirements shall lead to the imposition of:

- a. disciplinary sanctions for the employees of both the Company and its Subsidiaries;
- b. the right to terminate the collaboration relationship with third parties for just cause, also without notice;
- c. the removal of the person failing to comply from his position as Director or Statutory Auditor or Member of a Collegiate Body.

ANNEX B

RenoDeMedici



**Procedure for managing the Register of Persons having access
to Inside Information**

Updated and approved by the Managing Director (2011 version) Ignazio Capuano

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1 Objective

This procedure (hereafter the “**Procedure**”) governs the criteria and means for keeping and updating the Register of Persons having access to Inside Information, set up by Reno De Medici S.p.A. (hereafter the “**Company**”) pursuant to articles 115-bis and 181 of Legislative Decree no. 58/98 and subsequent additions (hereafter the “**TUF**”).

The purpose behind the requirement to draw up and keep this register is to encourage operators to place greater emphasis on the value of Inside Information by promoting the introduction of suitable internal procedures to monitor the circulation of this information before it is disseminated to the public, as well as to assist the competent authorities in carrying out insider trading investigations.

The Procedure is prepared in compliance with current legislative provisions and internal regulations which may be found in:

- the “Code for Handling Inside Information” (hereafter the “**Code**”);
- Special Section No. 3 “Offences regarding the Abuse of Inside Information and Market Manipulation” of the Organisation, Management and Control Model prepared pursuant to Legislative Decree no. 231/2001 (hereafter the “**Model**”);
- the Company’s Code of Ethics.

As regards the handling and management of **Inside Information** and business information appropriate for becoming such (the latter defined as **Significant Information**), the procedure also supplements, for the aspects of specific competence, the “procedure for the preparation and dissemination of communications as per article 114 of the TUF and article 66 of the Consob Regulations” (in brief the IR) introduced by the Company.

Article 152-bis of Consob Regulation no. 11971/1999 as subsequently amended (the “**Issuers’ Regulations**” or “**IR**”) provides that “companies in a control relationship with the issuer and the issuer itself” may delegate the drawing up, management and keeping of the register. This article allows companies belonging to the same group to arrange for the register to be drawn up and managed in a single, centralised manner.

A condition for drawing up and managing the group register is for internal policies relating to the circulation and monitoring of Inside Information to be introduced which enable the delegated company to fulfil the related obligations in an accurate manner.

With this procedure it is the intention of Reno De Medici S.p.A. (the “**Company**”) to draw up and manage a group register (the “**Group Register**”) governed by this procedure (the “**Procedure**”) which relates to persons in RDM S.p.A., its Subsidiaries and its Parent Companies (as defined below) who have access to Inside Information.

2 Definitions

Inside Information: pursuant to article 181 of the TUF : *“shall mean information of a precise nature which has not been made public, relating, directly or indirectly, to one or more issuers of financial instruments or one or more financial instruments and which, if it were made public would be likely to have a significant effect on the prices of those financial instruments [...]”. “Information shall be deemed to be of a **precise nature** if:*

- a) *it refers to a set of circumstances **which exists** or may **reasonably be expected** to come into existence or an event **which has occurred** or may **reasonably be expected** to occur; and*
- b) *it is specific enough to enable a conclusion to be drawn as to the possible effect of the set of circumstances or event referred to in paragraph a) on the prices of financial instruments.*

*“Information which, if **made public**, would be likely to have a significant effect on the prices of financial instruments shall mean*

information a reasonable investor would be likely to use as part of the basis of his investment decisions”.

Reference should be made to the “Code for Handling Inside Information” (hereafter also the “Code”), introduced by the Company, for further details of the types of Inside Information and for the internal handling rules and those concerning the external dissemination or communication of such information.

For the purposes of this procedure the following definitions are made:

Periodic Inside Information is information relating to activities and processes that recur on a periodic basis which is prepared as a legal requirement, such as the annual financial statements, the condensed half-year financial statements, the interim management accounts, or the resolutions of the Board of Directors relating to the approval of the periodic accounts.

Occasional Inside Information is information relating to a specific project, an extraordinary operation, a contractual agreement or any precise or specific act or fact which occurs as part of the activities of the Company or its Subsidiaries.

Significant Information: is information capable of becoming Inside Information but which has not yet assumed the features of being precise as required by article 181 of the TUF.

3 Scope

The persons and entities bound to comply with the requirements of this procedure are as follows:

- a) the Company, meaning all those people **within the Company** who handle Significant and/or Inside Information which has been acquired in performing their work;
- b) all external persons who as the result of the duties and activities performed for the Company obtain possession of or have access to Significant/Inside Information which presupposes the entry of their name in the register;
- c) the controlled companies (hereafter the “**Subsidiaries**”) of Reno De Medici S.p.A, pursuant to article 93 of the TUF, but only within the limits of the Inside Information which directly relates to Reno De Medici; as a result, therefore, Subsidiaries identify all the information which may be considered to be of a Significant and/or Inside nature for Reno De Medici in the light of the significance of the activities of the aforesaid Subsidiaries;
- d) companies exercising control over Reno De Medici pursuant to article 93 of the TUF (hereafter also “**Parent Companies**”), but only within the limits of the Inside Information which directly relates to Reno De Medici; as a result, therefore, Parent Companies identify all the events and sets of circumstances regarding operations decided by the Parent Companies themselves which are directly capable, in the light of concrete circumstances, to affect the price of the shares or financial instruments of Reno De Medici.

The Managing Director of Reno De Medici S.p.A., in conjunction with the Keeper of the Register, shall assess whether to exclude one or more subsidiaries from the requirements of this procedure if no person has access to Significant Information and/or Inside Information on a regular or occasional basis as a result of the exercise of their employment or profession or as a result of the duties they perform on behalf of that subsidiary.

4 Persons involved and responsibilities

The **Keeper of the Register** is the person who is **Responsible for drawing up, managing and updating the Register.**

The Board of Directors has appointed the Head of the Company's Legal and Company Secretarial Affairs Department as the Keeper of the Register, assigning him the following duties:

- ensuring compliance with current legislation and the Procedure as far as concerns keeping and updating the Register;
- annotating the Register without delay (making entries, updates or closures) on the basis of the requests received;
- drawing up and keeping an archive of the hard copy documents connected with keeping the Register;
- satisfying all the obligations as per article 152-quinquies of the IR for providing information to persons entered in the Register, in compliance with the Procedure.

If supervisory or judicial authorities should make a request for information and/or carry out an inspection, the **Keeper of the Register** is required to do the following:

- collaborate to the utmost with the authorities, facilitating their inspections, on the basis of the internal protocols established by the Company;
- inform the Managing Director and Supervisory Body established pursuant to Legislative Decree no. 231/2001 on a timely basis.

The **Deputy** to the Keeper of the Register is the person in charge of keeping, managing and updating the register and carrying out the above duties in the event of the Keeper of the Register's absence or impediment.

The **Managing Director (MD)** has the responsibility to:

- assess the significance of the information and notify the persons involved of the measures which are to be carried out;
- request the name of the person to be entered in the Register on a permanent/occasional basis.

The **Head of Department/Function** is the person in the Company at first level with the Managing Director in the organisational hierarchy and has the duty to:

- assess all the information regarding the Company and its Subsidiaries which is potentially Significant Information or Inside Information and which originates in his organisational unit or of which he or she becomes aware of as part of his work;
- inform the Managing Director without delay of the need to enter, on an occasional or permanent basis, the names of the persons in his Department who have access to potentially Significant Information and/or Inside Information.

The **Human Resources Department** has the responsibility to:

- communicate without delay and on a timely basis to the Keeper of the Register any event relating to organisation of the business (e.g. hiring, dismissal, resignation, retirement) which may lead to an entry in the Register, the updating of the Register or a cancellation from the register of the person concerned.

The Head of the Company's Legal and Company Secretarial Affairs has the duty to:

- prepare confidentiality clauses for third parties for the development of projects, operations, engagements, etc.; to store data relating to members of corporate bodies and the independent auditors of the Company and its Subsidiaries.

The **Investor Relator** is the person who looks after the issue of press releases for the Company and has the responsibility to:

- send press releases, issued pursuant to article 66 of the IR, to the Keeper of the Register in order that he may update the Register.

A Subsidiary is a company in a control relationship with Reno De Medici on the basis of article 93 of the TUF which has delegated the drawing up and keeping of the Register pursuant to article 152-bis of the Issuers' Regulations. The persons indicated by the control body (e.g. Executive Directors, Heads of Department/Function) have the duty to:

- assess the information which is potentially Significant Information or Inside Information and is likely to affect the performance of Reno De Medici shares and which persons may become aware of as part of activities and/or processes.

The **Requester** is the person having the task of identifying the persons having access to Significant Information and/or Inside Information and has the responsibility to:

- prepare the request for an entry in the Register for internal and external persons who by virtue of the exercise of their employment or profession, or the duties they perform, have or will have access to the information;
- verify that a confidentiality agreement has been signed by the external person having access to the information and that it is still valid, and if not to arrange for a confidentiality agreement to be signed in advance.

The **Person entered in the Register** is any person internal or external to the Company for whom the Requester has made an application for entry in the Register, and has the responsibility to:

- maintain the confidential nature of the Significant Information and/or Inside Information to which he has access, complying with the provisions of the Code of Ethics, the Internal Regulations and the Models adopted by the Company, as well as all legal and regulatory duties which derive from knowledge of the information.;
- sign the information received from the Keeper of the Register, whether this relates to an entry of his name in the Register, an updating of such and/or the cancellation of such.

5 Rules of conduct

It is the Company's duty to adopt suitable measures for preventing access to Significant Information and/or Inside Information by persons other than those needing such for performing the duties which have been assigned to them. In particular, to ensure the confidentiality of this information, they shall only acquire, manage and store that Inside Information which is strictly necessary and sufficient for fulfilling the duties assigned to them and for the time which is strictly necessary, arranging for such to be stored on a timely basis.

Reference should be made to Part III of the Code concerning the internal and external handling of Inside Information.

6 Identifications of persons whose names are to be included in the Register

An essential requisite for entry of a person in the Register is for the person to have access to Significant Information and/or Inside Information, meaning the possibility of gaining possession of such information by legal and authorised means or the actual possession of Significant Information and/or Inside Information even in an occasional way.

The Company's Board of Directors requires the following persons to be entered in the Group Register:

- a) those who have access to the Inside Information indicated in article 114, paragraph 1 of the TUF regarding the Company and its Subsidiaries, by virtue of the exercise of their employment or profession, or the duties performed on behalf of the person required to keep the register;
- b) those who have access to Significant Information for the above reasons.

It is the duty of the Managing Director of the Company, as the person delegated by the Board of Directors, to identify the persons responding to the above criteria.

In this respect the Heads of Department/Function must inform the Managing Director without delay of all the potentially Significant Information or Inside Information which relates to the Company and which originates in his organisational Department. In a similar way, all subordinates must report to their hierarchical supervisor any of the above information of which they become aware.

For the Delegating Companies, the identification of the persons to be entered in the Group Register is the responsibility of the Management Body of such (or the person delegated by the Management Body), in accordance with laws in force at the time and/or as a function of the internal operating procedures in use, with subsequent communication to the Keeper of the Register.

7 Entry in the Group Register

Entries may be made in the following ways:

- **on a permanent basis**, in the case of regular access to the information. In this respect the following have a permanent entry in the register:
 - (i) Chairman, Managing Director and Members of the Board of Directors;

- (ii) Chairman and Members of the Board of Statutory Auditors;
 - (iii) Chairman and Members of the Supervisory Board established pursuant to Legislative Decree no. 231/2001, the Internal Control Committee and the Compensation Committee;
 - (iv) Heads of Department/Function (the managers) reporting directly to the Managing Director;
 - (v) Factory Managers;
 - (vi) the Manager Responsible for the Preparation of Accounting Documents;
 - (vii) Sales Managers;
 - (viii) the Independent Auditors;
 - (ix) the Company engaged to issue the Company's press releases;
 - (x) the Employees who by virtue of the duties they perform or on the basis of internal procedures adopted for the distribution of information have access to Significant Information/Inside Information;
 - (xi) self-employed workers or consultants who provide their professional services on the basis of a self-employment relationship or a relationship for the provision of compensated work or services having a term exceeding one year and have access to the Company's Significant Information/Inside Information;
 - (xii) Chairman, Executive Directors and Members of the Board of Directors of Subsidiaries;
 - (xiii) Managers who are directly employed by a Subsidiary or Parent who have access to the Company's Significant Information/Inside Information;
 - (xiv) persons who as a result of the exercise of their employment or profession or as a result of the duties they perform on behalf of a Subsidiary or Parent Company have access to the Inside Information of Reno De Medici (e.g. consultants, self-employed workers);
- **on an occasional basis**, if access occurs occasionally on the occurrence of events or sets of circumstances which lead to the emergence of potentially Significant and/or Inside Information.

The following persons fall under this case:

- employees who in respect of the specific work they perform have access to Inside Information, for example during the “elaboration” of accounting data, or persons who take part in specific projects in which there is a stage involving a detailed review and a practical assessment of a project's feasibility, and the information held by the person responds to the requisite of being precise and specific;
- external persons (consultants, self-employed workers, professionals) who provide their professional services on the basis of a self-employment relationship or a relationship for the provision of compensated work or services having a term not exceeding one year and have access to the Company's Significant Information/Inside Information.

An entry on a permanent basis does not eliminate the requirement to enter the same people also on an occasional basis, in relation for example to specific events and/or circumstances (e.g. the establishment of a work group including persons entered on a permanent basis for the development of a product in an identified market sector).

It is the duty of Requestors to complete and sign the appropriate form to be sent to the Keeper of the Register, with prior notification by telephone. The form shall be delivered by hand in hard copy or sent by email or fax to predetermined addresses.

Except for exceptional cases of the objective impossibility to fulfil the requirement on a sufficiently timely basis, the date of entry in the Register must correspond to the date on which the cause leading to the entry arose.

8 Maintenance and contents of the Register

The Company has adopted a Group Register which is managed by the Keeper or his Deputy using specific software called **NetMA**, which ensures that the data entered cannot be altered and that every access can be tracked and which enables the data entered to be easily consulted and extracted.

As concerns the technical aspects of managing the Register, reference should be made in all cases to the software **User Manual**, which forms an integral part of this Procedure, for details regarding the extraction of data and search criteria.

Entries, updates and cancellations of persons in the register may be found in suitable articles which are automatically numbered in sequential order.

The following information must be included in the Register in accordance with article 152-bis, paragraph 2 of the IR:

- the identity of any person who, by virtue of the exercise of his employment or profession or by virtue of the duties performed on behalf of the person required to keep the Register has access on a regular or occasional basis to inside information; if the person is a legal person, an entity or a professional association, the identity of at least one reference person able to identify within his structure the persons who have had access to inside information must be indicated;
- the reason why the person is entered in the Register;
- the date on which the person was entered in the Register;
- the date of each update of the information concerning the person;
- the date on which the person is cancelled from the Register.

9 Updating

The Group Register is updated following the despatch of a request, duly completed and signed by the Requestor, to the Keeper of the Register.

An update is made in the following cases:

- if the reason underlying the entry of a person has changed (e.g. change in position in the organisation);
- when new persons have to be entered (e.g. on the hiring of persons, see points a) and b) of § 5.3);
- the entered person no longer has access to Significant Information or Inside Information (see § 5.6);
- the degree of a person's involvement with Significant Information and/or Inside Information has changed (e.g. a variation and/or change in responsibilities assigned as part of a project);
- the Significant Information is no longer capable of becoming Inside Information;
- the Inside Information is made public.

10 Cancellation

A request for the “cancellation” of persons entered in the Register and answerable to the Company - meaning that they no longer have access to the Significant Information and/or Inside Information which led to the original entry - is made by the following:

- for persons entered **on an occasional basis**, at the request of the Requestors of the entry or as a consequence of the disclosure of the information;
- for persons entered **on a permanent basis**:
 - i. at the request of the Management Body (or the person or persons delegated by such);
 - ii. in the case of termination for any reason:
 - a) of the employment relationship with an employee or manager entered in the Register, on the respective notification by the Human Resources Department or the Managing Director;
 - b) of the corporate position held by the person entered in the register, on notification by the Manager Responsible for the Preparation of Company Accounting Documents for consulting or collaboration relationships, on notification by the competent Head of Function or on notification by the Managing Director.

As regards Subsidiaries, the request for cancellation is made by the Executive Director or the person delegated by the management body.

11 Disclosures

Before an entry is made in the register, after identifying the persons in §5.3) Requestors have the responsibility to inform persons who have already had access to information of a confidential nature of such and of the legal and regulatory duties which derive from knowledge of this as well as any sanctions which may be applied in the event of abuse.

In the case of external persons, before communicating the information the Requestor has the responsibility to verify that a confidentiality agreement has been signed by third parties in accordance with the Internal Regulations. If this is not the case he arranges for such an agreement to be signed in advance.

Persons entered in the Register must be informed on a timely basis by the Keeper of the Register that they have been entered in the Register in addition to being informed about any updates regarding them, the obligations deriving from having access to Inside Information and the sanctions established for committing any unlawful acts or making unauthorised disclosure of the information.

The information is prepared by the Keeper of the Register; the Keeper of the Register is responsible for signing the information for despatch to the person concerned.

The information letters are automatically generated by the NetMA software. If this option is not working or not working properly, the Keeper of the Register shall prepare the information by completing the forms in Word format. The information is sent to the person concerned in the following cases:

- on entry in the Register on either a permanent or an occasional basis;
- on the updating of the position;
- on closure with cancellation of the name from the Register.

12 Storage

All the requests received, including the details relating to the persons and all supporting documentation (e.g. written communications to the persons) shall be stored by the Keeper of the Register for at least five years from the time when the circumstances which led to the entry of the person no longer hold, ensuring the utmost confidentiality, in compliance with the rules for handling the documents described in the Internal Regulations.

Copies of the information signed by the entered person is also stored in a suitable file to be placed in a locked cabinet, accessible only by the Keeper of the Register and his Deputy.

13 Information flow to the Keeper of the Register

It is the duty of the Managing Director and all Requestors to prepare entry, updating and closure of position requests and send these promptly to the Keeper of the Register, with prior notification by telephone.

The Keeper of the Register will make no entries in the Register if he has not received a written “order”.

If an employee should accidentally become aware of Significant and/or Inside Information, he should report this fact without delay to his hierarchical supervisor, to the Managing Director and to the Keeper of the Register for the due entries to be made.

On the other hand, if a person included in the Register communicates Inside Information to a third party who is not subject to a legal, regulatory or contractual confidentiality obligation or who is also included in the Register, the Managing Director is required to provide a full communication of the information to the public, simultaneously if disclosure was intentional, or without delay if such was unintentional.

The communication, disseminated to the public, shall then be sent by the Investor Relator to the Keeper of the Register, who shall extract from the Register all those persons whose names are included in relation to the inside information which was the object of the information. Having closed the annotation in the register, he shall then notify the person in writing that closure has taken place by using the appropriate form.

13.1 Flow from Subsidiaries and from the Parent to the Keeper of the Register

The Executive Directors of Subsidiaries/Parents, or the person instructed by the Board of Directors, have the duty to communicate the details of the persons indicated at (xii) and (xiii) in accordance with the means stated in the previous paragraph. It is the Keeper of the Register’s duty, also as Head of the Company’s Legal and Company Secretarial Affairs Department, to enter the Chairman, the Managing Director and the Members of the Board of Directors and Board of Statutory Auditors of Subsidiaries in the Register.

14 Occasional entry for projects or operations of an extraordinary nature

Projects and proposals prepared in the Company or in its investees, or arriving from third parties, have the Managing Director as recipient and he may take one of the following steps:

1. Decide not to follow up the proposal and in that case as a consequence such documents and the information contained in them lack any significance at all and do not lead to any other steps being taken.
2. Ask the Departments and/or operating structures in the Company for an overall analysis; in that case the Managing Director through the Head of the Company's Legal and Company Secretarial Affairs Department arranges to sign reciprocal confidentiality agreements with the proposing person, also using standard Group clauses, and files the document as "confidential". If as the result of the overall analysis the Managing Director decides not to proceed further, the documents lack any further significance for the purpose of this procedure.
3. Conclude that the assumptions exist for going further into detail and carrying out feasibility assessments and therefore notify the Keeper of the Register at the same time by completing the appropriate form with all the details needed to make the entries required by law.

In particular, persons shall be entered in the Register in accordance with the criteria of § 5.3, without prejudice to the fact that also persons already included in the Register on a permanent basis can be entered.

15 Temporary entries for blocking periods

It is the responsibility of the Keeper of the Register, depending on the starting date of blocking periods and in compliance with the *Internal Dealing Communication Organisation Procedure*, to enter Significant Persons in the Register until the inside information whose access has led to the entry in the Register is disseminated to the market. The methods of making the entry are the same as those described in § 5.4 and provide for the following motivation:

"As a Significant Person pursuant to article 114, paragraph 7 of Legislative Decree no. 58/1998, subject to limits on being able to carry out transactions in financial instruments (blocking periods) pursuant to the Internal Dealing Regulations adopted by the Company", specifying in the "date" field the start of the blocking periods.

At the same time the Keeper of the Register prepares the information and sends it to the Head of Internal Dealing so that he may send it on to the Significant Persons together with the communication relating to the start of the blocking periods.

16 Closure of a person entered on a permanent basis

When persons entered in the Register on a permanent basis cease work (e.g. for reasons of retirement, dismissal, resignation, completion of the engagement) a communication must be sent by the Requestor (the Human Resources Department in the case of an employee, the Head of Department/Function in the case of an employee of self-employed worker, the Head of the Legal and Company Secretarial Affairs Department in the case of members of corporate and control bodies) to the Keeper of the Register, who with the support of the

Managing Director as may be required checks whether the person is in possession of Significant Information and/or Inside Information, such as for example:

- accounting data which will be reported in the Company's annual financial statements, the Group's consolidated financial statements, the condensed half-year financial statements or interim management accounts if such data has not acquired a significant degree of certainty;
- information relating to accounting situations;
- prospective data, quantitative objectives and accounting data for the period;
- business operations for projects and/or the development of new products.

In the case that the person is not in possession of Significant Information or Inside Information, the Keeper of the Register arranges for the Requestor to issue an authorisation by email to cancel the name of the ceased person and closes the position, sending out the information that closure has taken place (§ 5.7).

The person's name remains in the Register for a further five years from the date of the most recent entry, being that on the cessation of the engagement.

In the case on the other hand that the person is in possession of Significant Information or Inside Information, the Keeper of the Register changes the entry from permanent to occasional until such time as the person no longer has access to said Significant Information or Inside Information or until the information is disclosed by communication or until the Significant Information is no longer capable of becoming Inside Information.

The Keeper of the Register shall notify the person whose name is entered in the Register by email that the Register has been updated, confirming the requirement that the Inside Information must not be abused, failing which the sanctions provided by the TUF shall be applied.

17 Sanctions

Without prejudicing the possibility for the Company to take action for any damage and/or responsibility that it may suffer from any conduct breaching this Procedure by the persons concerned, the failure to comply with the requirements and prohibitions set out in this Procedure shall lead to responsibility under current laws and regulations.

A summarised description is provided in the following of the sanctions specified by the TUF for the offences of (i) abuse of inside information (inside trading) and (ii) market manipulation.

With specific reference to criminal sanctions, for the abuse of inside information (insider trading) the law provides for imprisonment of between one and six years and a fine of between twenty thousand and three million euros for any person who, possessing inside information by virtue of his membership of the administration, management or supervisory bodies of an issuer, his holding in the capital of an issuer or the exercise of his employment, profession, duties, including public duties, or position:

- buys, sells or carries out other transactions involving, directly or indirectly, for his own account or for the account of a third party, financial instruments using such information;

- discloses such information to others outside the normal exercise of his employment, profession, duties or position;
- recommends or induces others, on the basis of such information, to carry out any of the transactions referred to at the first point.

On the other hand for the offence of market manipulation the law provides for imprisonment of between one and six years and a fine of between twenty thousand and five million euros for any person who disseminates false information or sets up sham transactions or employs other devices concretely likely to produce a significant alteration in the price of the listed financial instruments.

Without prejudicing the possibility for Reno De Medici to take action for any damage and/or responsibility that it may suffer from any conduct breaching this Procedure by the persons concerned, the failure to comply with the requirements shall lead to the imposition of:

- a. disciplinary sanctions for the employees of both the Company and its Subsidiaries;
- b. the right to terminate the collaboration relationship with third parties for just cause, also without notice;
- c. the removal of the person failing to comply from his position as Director or Statutory Auditor or Member of a Collegiate Body.