



RenoDeMedici

Extraordinary and Ordinary Meeting of the Shareholders

April 26– 27, 2011

Explanatory Report of the Board of Directors

drafted pursuant to Art. 114-bis, Legislative Decree No. 58/1998

Item 3 of the agenda for the ordinary part of the meeting – approval of the Compensation Plan based on financial instruments pursuant to art. 114 bis of Legislative Decree no. 58 of 24 February 1998 in favor of Management of the Company for years 2011-2012-2013.

Dear Shareholders,

You have been convened in this ordinary meeting in order to discuss and deliberate – in accordance with the provisions of Art. 114-bis, subsection 1, of Legislative Decree No. 58 of February 24, 1998 – with respect to the Incentive Plan for RDM Group’s Management for years 2011-2012-2013 by the assignment of Phantom Shares: the relevant scheme was defined by the Board of Directors, on a proposal of the Remuneration Committee, in the board meeting dated March 21, 2011.

The characteristics of such plan are illustrated in the Informative Document issued by the Company pursuant to Art. 84-bis of the Issuers’ Regulation, available to the public at the company registered office, at Borsa Italiana and on the Internet site of the Company www.renodemedici.it, as well as transmitted to the Consob.

You are therefore invited to view the mentioned informative document.

This being stated, we submit to you the following resolution for approval:

“the Ordinary Meeting of Reno De Medici S.p.A., having examined the Informative Document prepared by the Board of Directors pursuant to Art. 84-bis of the Issuers’ Regulation,

resolves

1. to approve the Incentive Plan for the years 2011-2012-2013 by the assignment of Phantom Shares intended for the Managements of RDM Group and other key resources of Reno De Medici

S.p.A. and/or subsidiaries of the same in the meaning of Art. 2359 of the It. Civil Code, at the terms and conditions as illustrated in the informative document drafted pursuant to Art. 84-bis of the Issuers' Regulation;

2. to entrust the Board of Directors and, on its behalf, the Chairman and the Chief Executive Officer, pro tempore, separately, with all authorities as may be needed for the actual implementation of the Incentive Plan, including the power to subdelegate such authorities to the Remuneration Committee, to be exercised in compliance with the operating principles illustrated in the informative document prepared pursuant to Art. 84-bis of the Issuers' Regulation.

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Milan, March 21, 2011

For the Board of Directors
the Chairman
signed by Christian Dubé