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DEED

November 17, 2015  
Reference No. 68.207/12.225

NOTARY FILIPPO ZABBAN



Reference No. 68207

Folder No. 12225

## MEETING MINUTES

REPUBLIC OF ITALY

November 17, 2015

November the seventeenth, two thousand and fifteen.

At 5 Via Metastasio, Milan. I, the undersigned, FILIPPO ZABBAN, a notary in Milan, registered at the Milan Board of Notaries, will be preparing and signing the minutes of the shareholders' meeting of the company

"RENO DE MEDICI S.p.A."

with its headquarters at 25 Viale Isonzo, Milan, share capital €185,122,487.06, subscribed and paid-up, Tax Code and Milan Companies Register number 00883670150, registered in the Milan R.E.A. under the number 153186, listed on the Mercato Telematico Azionario (screen-based stock exchange market), managed by Borsa Italiana S.p.A. (the Italian Stock Exchange)

held in my constant presence.

Whereas:

- at 3 piazza Fontana, Milan, at the Starhotels Rosa Grand Hotel, on November 2, 2015 the shareholders' meeting of the above-mentioned Company was held, at second call, at 10.00 am;

- at this meeting, the CEO of the Company, Ignazio Capuano, acted as chairman throughout, until the very end;

- the report that follows is a fair representation of the minutes that I, as a notary, was instructed to take.

That having been stated, it is placed on record (pursuant to Article 2375 of the Italian Civil Code and in conformity with the requirements of the other applicable provisions, also because of the condition of the Company, listed on the Milan Stock Exchange) that the shareholders' meeting of said company took place on November 2, 2015.

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"At 3 piazza Fontana, Milan, at the Starhotels Rosa Grand Hotel, at 10.30 am on November 2, 2015, the shareholders' meeting of "RENO DE MEDICI S.p.A." was held.

At 10.30 am, Ignazio Capuano, CEO, also in the name of his colleagues on the Board of Directors, the Board of Statutory Auditors, the management and personnel of the company, extended a warm welcome to all those in attendance.

With reference to Article 11 of the company by-laws, as the Chairman of the Board of Directors, Robert Hall, was not present, the CEO was called upon to chair the shareholders' meeting unless there were any objections.

There were no objections so Ignazio Capuano acted as chair of the shareholders' meeting and proposed to call upon the notary Filippo Zabban of Milan to take the minutes of said meeting, asking whether there were any objections to this arrangement.

There were no objections.

He therefore declared that the notary Filippo Zabban was appointed as secretary for the meeting.

He declared that, in addition to himself, the following members of the Board of Directors were present: Enrico Giliberti and Laura Guazzoni, while apologies had been received from the Chairman Robert Hall and director Laurent Lemaire.

He established that present for the Board of Statutory Auditors was Giancarlo Russo Corvace, Chairman of the Board of Statutory Auditors and Tiziana Masolini, while Gian Maria Conti was not present when the meeting opened.

The Chairman then acknowledged that the meeting was being held in compliance with the applicable laws and by-laws.

He also acknowledged that both the ordinary and extraordinary shareholders' meetings were regularly convened, pursuant to the law and the by-laws, on October 30, 2015, on first call, at the Company's headquarters, at 25 viale Isonzo, Milan, at 10.30 am and on second call, today, November 2, 2015 at Starhotels Rosa Grand Hotel, 3 piazza Fontana, Milan, at 10.30 am, as per the extract of the notice of call published in the daily newspaper "Milano & Finanza" on September 29, 2015, and on the company's website on the same date, with the following:

#### **Agenda**

1. *Interim statement of financial position as at June 30, 2015. Subsequent and resulting resolutions.*
2. *Voluntary reduction of the share capital to hedge the losses resulting from the interim statement of financial position as at June 30, 2015. Subsequent and resulting resolutions.*
3. *Reduction of the share capital through the allocation to the "available reserve" pursuant to Article 2445 of the Italian Civil Code, of the amount of €10,399,255.80. Subsequent and resulting resolutions.*

*4. Proposal for the authorization to purchase and dispose of treasury shares: subsequent and resulting resolutions.*

The Chairman acknowledged that the full text of the notice of call was also circulated to the market through the SDIR NIS system to which the company belongs. He also acknowledged that following the conversion of the savings shares and the consequent change to the composition of the share capital, through the notice of October 7, 2015, published in "Milano & Finanza" the amended notice of call was made available to the public. Therefore, through the notice published on October 29, 2015 in the daily newspaper "Milano & Finanza" pursuant to Article 84 of the Issuers' Regulation, the Company announced the adjournment of this shareholders' meeting for a second call. This announcement was also published on the company's website and circulated to the market through the above-mentioned SDIR NIS system.

He also acknowledged that the session convened on October 30, 2015 at 10.30 am was not quorate as resulting from the relevant minutes prepared by the Company and that no request for supplementation of the agenda was received by the Company, pursuant to Article 126-bis of the CFA.

The Chairman then handed over to notary Zabban who declared that there were 261,683,505 ordinary shares equal to 69.315% of the 377,527,066 shares with voting rights.

The Chairman then declared the meeting duly convened and validly constituted both in extraordinary session and ordinary session, at second call under the terms of the law and by-laws, able to resolve on the items on the agenda. The Chairman pointed out that during the meeting, prior to each vote, he would provide the updated data on attendance.

He informed that the intermediaries' notices for the purposes of participation in this meeting by the entitled persons were carried out pursuant to the applicable provisions of law on the matter, as well as in compliance with the provisions of the company by-laws. He informed that, pursuant to Articles 8 and 9 of the by-laws and the applicable provisions, the attendees' entitlement to participate in the meeting was ascertained, and in particular compliance with the applicable provisions of the law and by-laws of the proxies submitted by attendees was verified.

He declared that with regard to today's meeting, there was no proxy solicitation pursuant to Article 136 *et seq.* of the CFA.

The Chairman then stated that:

- pursuant to Legislative Decree 196/2003 (Personal Data Protection Code), the attendees' data is collected and handled by the Company solely for the purposes of fulfilling the mandatory requirements relating to meetings and to the Company;
- the proceedings of the meeting are audio-recorded for the sole purpose of facilitating the drawing up of the related minutes; the recording will be kept for the time strictly necessary to draw up the minutes and will then be erased;
- pursuant to Article 120 of the Consolidated Finance Act, those shareholders directly or indirectly owning more than 5% of the Company's share capital who have failed to notify the Company and CONSOB thereof may not exercise the voting right pertaining to those shares for which no notification was given;
- the voting right pertaining to those shares for which the information obligations pursuant to Article 122, paragraph one of the Consolidated Finance Act were not fulfilled, may not be exercised as set out in paragraph four of said Article 122.

Furthermore, he declared that:

- the subscribed and paid-up share capital at today's date is €185,122,487.06, divided into 377,800,994 (three hundred and seventy seven million eight hundred thousand nine hundred and ninety four) shares, of which 377,527,066 ordinary shares and 273,928 convertible savings shares, with no nominal value. This division between ordinary shares and savings shares results from the conversion into ordinary shares of 14,696 savings shares which took place in September 2015 pursuant to Article 5 of the company by-laws;
- the company's ordinary shares are admitted to trading on the screen-based stock exchange market organized and managed by Borsa Italiana S.p.A., Star segment;
- to date, the entities directly or indirectly owing over 5% of the subscribed share capital of RENO DE MEDICI S.p.A., represented by shares with voting rights, in accordance with the findings of the shareholder register, supplemented by the communications received pursuant to Article 120 of the Consolidated Finance Act are as follows:

SHAREHOLDERS	No. of ordinary shares	% of voting capital held
CASCADES S.A.S.	217,474,385	57.61

<i>direct ownership</i>		
CAISSE DE DEPOT ET PLACEMENT DU QUEBEC <i>direct ownership</i>	34,450,000	9.12
FALLIMENTO EXEUFIS S.P.A. IN LIQUIDATION <i>direct ownership</i>	20,799,057	5.51

The Chairman declared that the Company does not hold any treasury shares in its portfolio and that it is not aware of the existence of any shareholders' agreements pursuant to Article 122 of Legislative Decree 58/98 with regard to company shares.

He acknowledged this and in the meantime the Standing Auditor Gian Maria Conti took the floor.

He announced that the Company is not subject to management and coordination activities by other entities.

He invited attendees to declare any lack of entitlement to vote pursuant to Article 122 of the CFA. No one took the floor.

He acknowledged that, with regard to the agenda items, the obligations required by the applicable statutory and regulatory provisions have been duly fulfilled. Specifically:

- the Financial Report as at June 30, 2015, the Report of the Board of Directors on the Interim Financial Position as at June 30, 2015 and on the voluntary reduction of the share capital to hedge the losses prepared pursuant to Article 125-*ter* of the CFA and Article 72 of the Issuers' Regulation; the Report of the Board of Directors on item 3 of the agenda of today's meeting (reduction of the share capital through allocation to the "available reserve" pursuant to Article 2445 of the Italian Civil Code, of the amount of €10,399,255.80) prepared pursuant to Article 125-*ter* of the CFA and Article 72 of the Issuers' Regulation and lastly the Report of the Board of Directors on the Proposal to Authorize the purchase and disposal of treasury shares prepared pursuant to Article 73 of the Issuers' Regulation and Article 125-*ter* of the Consolidated Finance Act, were filed on September 29, 2015 at the headquarters, published on the website [www.renodemedici.it](http://www.renodemedici.it), sent to the Italian Stock Exchange and disclosed to the market through the SDIR NIS system;

- adequate confirmation of the filing of all of the above-mentioned documentation was given to the public through the press release of September 29, 2015 and the notice published on September 29, 2015 in the daily newspaper "Milano & Finanza" as well as on the company's website and through the SDIR NIS system;
  - following the change to the composition of the share capital through the conversion of savings shares, on October 7, 2015, all the above-mentioned documents were updated and filed at the company's headquarters, published on the website [www.renodemedici.it](http://www.renodemedici.it), sent to the Italian Stock Exchange and disclosed to the market through the SDIR NIS system;
  - also on October 7, 2015, the observations of the Board of Statutory Auditors with reference to the subject in the first two items of today's agenda were also made available to the public through the same means;
  - adequate confirmation of the filing of all of the above-mentioned documentation was given to the public through the press release of October 7, 2015 and the notice published on October 7, 2015 in the daily newspaper "Milano & Finanza" as well as on the company's website and through the SDIR NIS system;
- Finally, the Chairman informed that the following documents will be minuted and/or annexed to the minutes of the meeting as an integral and substantive part thereof and will be made available to the shareholders:
- the list of names of the shareholders participating in the meeting, whether in person or by proxy, complete with all data required by CONSOB, with the indication of the respective shares;
  - the list of names of the shareholders who have voted in favor, against, or have abstained from voting or left the room prior to each voting procedure and the corresponding number of shares represented in person and/or by proxy.
- He announced that the summary of the interventions, indicating the names of the participants, the answers provided and any replies will be contained in the minutes of this meeting.
- The Chairman notified that, in order to fulfill the technical and organizational requirements of the proceedings of the meeting, some of the Company's employees and collaborators and Independent Auditors' representatives were admitted to the meeting and shall assist him during the meeting.



Furthermore, the Chairman informed that accredited journalists, experts and financial analysts were admitted to participate in the meeting with his consent, without however having the right to take the floor. He informed the attendees of the technical methods for the management of the meeting's proceedings and the conduct of voting procedures. Upon registration for entering the meeting, each entitled person or proxy received an attendance card, or several cards if representing more than one person by proxy, and expressed, on behalf of the delegating parties, his/her intention to cast a 'dissenting vote'.

Attendees, whether in person or by proxy, were requested to remain in the room for the duration of the meeting if possible. However, if they leave the meeting before the voting procedures or the conclusion of the proceedings, they are requested to return the attendance card to the persons appointed for this purpose. It was pointed out that should they re-enter the room, their card will be returned and their attendance recorded accordingly.

It was pointed out that, in the event that several cards are issued to one single proxy, the procedure shall consider as having automatically exited and excluded from voting the holder of any cards not delivered to the personnel in charge where the proxy has temporarily left the room and delivered only one or some of the cards.

Prior to each voting, the entitled persons in attendance will be acknowledged, thereby confirming the general details of those who have expressed their intention not to participate in the votes.

Before moving on to dealing with the items on the agenda, those present were reminded that those persons entitled to exercise voting rights can ask to speak on any of the agenda items, but confined to the limit of a few minutes and repetition should be avoided.

At the end of all interventions on each agenda item discussed, answers to any questions will be provided, if necessary after suspension of the proceedings of the meeting for a limited period of time.

The Chairman informed that he would answer questions directly or invite the other directors and auditors to do so. He announced that no one with the right availed themselves of the opportunity to submit questions before the meeting pursuant to Article 127-ter of the CFA.

He also reminded that, pursuant to Article 135-undecies of the CFA, the Company has appointed the Studio Segre S.r.l. as the entity upon which the entitled persons may confer a proxy with voting instructions on some or all of the proposals on the agenda.

With regard to this, he asked a representative of Studio Segre S.r.l., as designated representative pursuant to Article 135-*undecies* of the CFA whether they had received proxies.

The company Studio Segre S.r.l., through its representative, responded that it had received one.

Finally, the Chairman informed the attendees of the technical methods for the management of the meeting's proceedings and the conduct of voting procedures, in other words:

- votes will be cast by a show of hands, and those who cast a vote against or abstain from voting are required to communicate the name and the number of shares held personally and/or by proxy;
- voting on each individual agenda item will be carried out at the end of the discussion on that item.

\* \* \* \* \*

The Chairman then moved on to dealing with the first item on the agenda; he asked shareholder Davide Reale to speak, who proposed a procedural amendment, without prejudice to separate voting, asking to for the first three agenda items to be dealt with jointly because they involve a single operation, for the purpose of simplifying the interventions of shareholders.

The Chairman then asked the meeting if there was any opposition to the point clarifying that the voting on the various agenda items would take place separately.

No one asked to take the floor and the Chairman reminded them of the items on the agenda and recognized a correlation between items one and two in particular.

With regard to this, notary Zabban took the floor, pointing out the Chairman's proposal and the proposal to deal with the first two items on the agenda jointly, while reserving the right, on the other hand, to deal with the third and fourth items on the agenda separately. He then asked if anyone objected to this proposal. As no one objected notary Zabban confirmed that the latest proposal would be catered for.

Sara Rizzon, a representative of the shareholder Cascades S.a.s., took the floor and proposed to omit the reading of the financial report as at June 30, 2015 and the observations of the Board of Statutory Auditors, in order to leave more time for the discussion and taking into consideration the fact that the documents were already made available to shareholders.

As there were no objections to proceeding in this way, the Chairman took the floor again and stated he wanted to make a brief departure

about the company's history. Specifically, the Chairman pointed out that in December 2002, when the financial statements were being approved, the financial position of the company was negative by €293,282,000 (two hundred and ninety three million two hundred and eighty two thousand) and had recorded a loss of €49 (forty nine) million; after having given other data relating to that period and having acknowledged that the company was essentially at risk of surviving. In June 2013 several investors who believed in the future of the company proposed a capital increase of €72 (seventy-two) million. This increase allowed the company to begin a new chapter, in this regard, the Chairman gave heartfelt thanks to Mr Garofano who contributed to saving the company and led it throughout the entire restructuring and recovery period, until a short time ago. Towards the end of 2003, following this operation, the company's financial position was negative by €238,000,000 (two hundred and thirty eight million), recorded losses for the period of €101,000,000 (one hundred and one million) and had an EBITDA of €185,000 (one hundred and eighty five thousand). Today, as per the report, the company's EBITDA for the half-year was €11,793,000 (eleven million seven hundred and ninety three thousand) and it had a net profit of €2,240,000 (two million two hundred and forty thousand) and a negative net financial position of €60,706,000 (sixty million seven hundred and six thousand). The Chairman recalled that in those years several plants which were no longer competitive were shut down, and that therefore great sacrifices were made by all parties involved. He stressed that the reason why the need to proceed in a new direction was felt was that the era in which the only goal was to survive and pay off the debts had come to an end. A new era was beginning, which had to be created from a different capital situation, and from a restructuring of the Company's *equity* and its shareholders' equity. He recalled that, at a structural organizational level, only two plants were part of the parent company S.p.A.; the other plants were part of the group and those which, in particular, contributed in terms of results, were the two plants which are not part of the parent company, the one in Germany – which has always yielded dividends – and the Ovaro plant, which was subject to a demerger in 2012; he recalled the latter had not paid dividends to this date, in spite of recording significant profits, and that it would therefore shortly be in a position to start distributing dividends. As far as the company's situation on the market is concerned, the Chairman stated that the company was one of the forerunners of a cycle which began in 2013,

continued positively in 2014, while a normal reduction in activities was recorded in the months following June 2015, also due to the seasonal nature of the actual cycle. Lastly – from the perspective of the recovery – he mentioned that the investment made in the Santa Giustina mill was starting to bear fruit. He noted that three of the group plants are among the top six in Europe. He invited those present to ask questions on the subject and then moved on to analyze the company's most recent statement of financial position. He pointed out that at December 31, 2014, the company's share capital stood at €185,122,000, with retained losses of €41,980,000 and a profit for the period of €3,425,000; after having shared other data referring to that period, he declared that the profit was therefore posted during the approval of the financial statements partly to the legal reserve and partly to hedge the losses. The situation for the half-year to June 30, 2015, recorded losses of approximately €38,726,000.00 and a profit for the period of approximately €2,239,000 plus reserves. The Chairman therefore proposed to hedge the losses at June 30, 2015, detailing the methods.

The Chairman then invited notary Zabban to read the text of the proposed resolution for the first item on the agenda; the notary read the following:

*"The Ordinary Shareholders' Meeting of RENO DE MEDICI S.p.A.:*

- *having examined the interim statement of financial position as at June 30, 2015;*
- *having examined the Directors' Report;*
- *taking into account the observations of the Board of Statutory Auditors;*

**RESOLVES**

- *(i) to approve the interim statement of financial position as at June 30, 2015 which shows a profit for the period of €2,239,196.98, compared with total retained losses of €38,726,258.48."*

Notary Zabban then provided details of the set of documents prepared by the directors presented to the shareholders, clarifying that in that specific case it was not necessary to prepare an Independent Auditor's Report.

The Chairman took the floor again, inviting the shareholders who intend to speak to announce their intention, specifying that in accordance with what was proposed, the speeches should refer to the first and second items on the agenda and he also asked them not to speak for longer than a few minutes.

The shareholder Davide Reale took the floor, saying he was somewhat confused with regard to the need for the operation on which the shareholders' meeting had been called upon to resolve today. Specifically, he highlighted some inconsistencies in the report. He noted that, if it is true that the group has been reorganized and restructured, this process ended up with the downsizing of the actual group, which led to the shutting down of several plants, as the Chairman himself had also pointed out. Specifically, the smaller mills were closed, keeping the more competitive plants open with a particular focus on the plants with the best growth prospects. With regard to these prospects, the shareholder complained of a lack of any indications and asked what these were.

He expressed his doubts and asked for reassurance, as far as possible, on the validity of these prospects, also in the light of the discouraging performance of the stock, which recorded a fall close to a transaction, such as today's, which should be a starting point for the company. He then posed several questions about the Statement of Financial Position and the Income Statement of the Company. A restructuring process usually implies a reduction in costs, and in this regard it was revealed that, if it is true that the opinion of the independent auditor's on the statement of financial position is not necessary pursuant to the regulations, then it is also true that its predisposition would have been preferable, with the justification for this decision as a mere logic of cutting costs not deemed to be sufficient. He pointed out that in the report several references were made to requests by shareholders to proceed with the operation proposed today. With regard to this, he therefore asked when these requests were made as he had found no trace in any of the official documents. He asked the Chairman for an up-to-date picture of the current and non-current debt as at June 30. He asked for a more detailed illustration of employee benefits. He asked for clarifications on the write-downs in the Income Statement. He then paused on the reasons that led to the shareholders' meeting for the approval of the financial statements to be held in Rome; he pointed out that in the past the shareholders' meeting was held in Magenta, at Borsa Italiana, at the Palazzo delle Stelline, and at the headquarters in viale Isonzo, and he expressed his surprise on the choice of a location such as Rome, also in the light of trying to keep costs down. He said he hoped that this would not be repeated

in future, conveying that he would have believed it altogether more fitting to hold the meeting at the Frosinone mill. He related that he wanted to comply with the Chairman's desire to keep the speeches short and therefore announced he would bring his remarks to a close, not before observing that – still with a view to keeping costs down – he could not understand why the location for today's meeting was chosen. The shareholder Carlo Maria Braghero then took the floor, complaining of the lack of a platform for speakers at the meeting. He then complimented the Chairman on his speeches, which expressed a concern in the corporate management from a managerial point of view as well and not just from a bureaucratic aspect. He asked the Chairman how many shareholders were present, having gained the impression that the number of insiders present exceeded the number of shareholders. He greeted Mr. Giliberti and acknowledged the fact he had met him in other circumstances. He reiterated the thanks extended to Mr. Garofano by the Chairman, testifying to his commitment, including his personal undertaking to resolve the difficult situations that the Company faced. He announced he was not convinced about the operations proposed at this meeting, even if he understood the reason. He highlighted that from the situation put forward there were current assets of approximately €90 million and current liabilities of approximately €105 million, essentially an equilibrium that should not require further funding. As regard the current statement of financial position, the Company has €200 million in assets and €151 million in shareholders' equity, actual, with retained losses obviously deduced. At the outcome of the proposed operation, it is expected that the shareholders' equity will be reduced to €140 million and therefore he asked how the further €60 million will be funded. He noted that, all things considered, the fact of hedging the losses by making provision from the profits, in a time that is hopefully short, seems the wisest policy to achieve a shareholders' equity that is close to the assets, while it is believed that the proposed operation will sever this virtuous path. He said he was aware of the fact that the retained losses prevent the distribution of dividends, but he believes that it is always right to ask whether it is worth distributing dividends or increasing the company's equity by capital additions. He complained of the lack of sufficient explanations about this in the report. Lastly, he noted that Giovanni Maria Conti, present today in the capacity of standing auditor, although he arrived slightly late, is referred to in the Company documents as a

deputy statutory auditor. Unlike the auditors' report on page 13, the latter was already in office on October 7, as a signatory, along with the other statutory auditors, of said report. He sustained that the fact that this situation was not mentioned was irregular, considering that the outgoing auditor remains in office until the first expedient meeting. He believed this situation was serious and that the meeting should resolve on it, even if it was not on the agenda.

At the end of the speeches, the Chairman took the floor to respond to the questions posed by the shareholders. Specifically, with regard to the company restructuring process, he confirmed that effectively it was downsized, but he believed that it was preferable to be part of a smaller company that was able to make a profit, rather than a larger organization making a loss. This had been the decision taken by the management. He recalled that in 2002 the Company had a turnover of around €443 million, at the end of 2003 it was around €322 million and in December 2014 it was around €209 million. In the same way in 2003, EBITDA stood at approximately €145,000 and in 2014 it was almost €25 million. He related that the entire administrative body would have liked to manage a growing company, and that the choices made until now were necessary to allow the Company to continue to operate on the market. These inevitable choices were necessary to focus on the plants which had growth prospects on the European market. In this regard, note that the market on which the Company operates, manufacturing chipboard, was approximately 4 million tons at the end of 2007, while it was approximately 3.5 million tons at the end of 2014. The market was therefore smaller, and as the sector in which the Company operates is a manufacturing industry in which costs make up over 50%, it is necessary to be cost-efficient in order to compete and make a profit. He pointed out that three of the group plants are in the top six in Europe in terms of cost and product quality. As regards the other disposal operations, a plant in Spain was put up for sale and the reasons given. He noted that the management decisions taken and the choices to be made are all directed at consolidating the basic assets of the Company and the group to enable growth. With regard to the performance of the stock, he believes that the solution to be adopted is a higher profile on the market, to be achieved through the circulation of information about the Company, in order to present it in the best possible light, also

taking part in events organized by Borsa Italiana and promoting meetings with foreign investors. About that he recalled the latest meetings held in Germany and in Geneva and that the summary evaluation indexes demonstrate that growth for the Company is possible. He noted, therefore, how a useful instrument aimed at developing the Company is actually buying and selling treasury shares. With regard to the requests received from shareholders, in the past, in order to implement the operation proposed today, the Chairman described that it mainly involved informal interventions, which is why shareholders were not involved in the previous reports. As far as the failure to obtain a report with the opinion of the independent auditors is concerned, it was felt it was not necessary to produce one because the Company is bound by the consolidated financial statements and therefore already subject to the opinion of the independent auditors. As regards the ratio between the current and non-current debt, the Chairman referred to page 8 of the report of the administrative body, to which reference is made.

Then the chairman yielded the floor to Mr. Moccagatta, who recalled that there was full disclosure regarding the financial situation of the Company, indicating the pages 32, 33 and 40 of the report, where details of financial debts and credits to the Group companies are illustrated.

The chairman resumed and explained that the information regarding employee benefits were provided in the documentation and essentially consisted of severance indemnity. On the other hand, the income statement write-downs are related to a plan of disposal of certain buildings, no longer used and with a non-updated residual value, for which it was necessary to update their valuation. Additionally, such write-down is also meant to reduce the tax burden related to these buildings. Finally, he reminded [the audience] that the last meeting of the company was held in Rome, as permitted by the bylaws, and since the management of the Company was present in Rome in connection with the invitation of the Canadian ambassador the day before, it was decided to call the Meeting on that occasion. He stated that there was no intention behind this choice to make any decisions outside of the headquarters, i.e. Milan. Regarding the choice of the location of the present meeting, he communicated that in view of the importance of the operation it was decided to use the



back-up location. Regarding the questions asked by the shareholder Carlo Maria Braghero, the Chairman stated that six persons were present. Regarding the remark on the financial statements made by the same shareholder, the Chairman declared to share the idea of having almost equivalent fixed assets and equity, and that the strategy adopted by the company follows such an objective, given that the financial situation of the company – in terms of ratio between the assets and liabilities – does not raise any concerns. He stresses that financial solidity remains the principal objective, and therefore there will be no operations impoverishing the Company. In this respect he stressed the usefulness of the operation of purchase and disposal of own shares, to contain any downward fluctuations of the shares within the limits imposed by law.

In relation to the question of the auditor Giovanni Maria Conti, the Chairman yielded the floor to Attorney Arciuolo, in charge of Company legal affairs, who explained the following. On September 28, the date to which the majority of documents submitted to the shareholders refer, Mr. Vincenzo D'Aniello was a statutory auditor of the company. He resigned with immediate effect on October 2, 2015. In view of his resignation, the alternate auditor Giovanni Maria Conti replaced him in accordance with the law. It was not possible to include this matter in the agenda since the deadline for publication of the notice calling the meeting for nomination of company bodies (forty days pursuant to art. 125-*bis* of the CFA) already elapsed in this case and there was no possibility to make any additions to that effect. The confirmation and the nomination of the new alternate auditor were therefore deferred to the next meeting.

Carlo Maria Braghero resumed his presentation. He thanked the Chairman for the responses received and at the same time contested the response of Attorney Arciuolo for two reasons. First of all, regardless of art. 125-*bis* of the CFA, he thought that it would be useful to decide the matter at this meeting. Secondly, he noted that this matter should have been mentioned in the Chairman's presentation or in the auditors' report.

Once all the interventions were concluded, the Chairman submitted the proposed decision read by Notary Zabban for voting. The latter was asked and communicated that he received a confirmation from the staff in charge that the number

of shareholders present had not changed compared to the beginning of the meeting. Therefore, the Chairman opened the voting on approval of the financial position as at June 30, 2015.

At the end of the voting, which took place by raising hands, the Chairman declared the proposal approved by majority with 261,676,643 shares in favor out of 261,683,505 voting shares, with 0 shares opposing and 6,862 shares abstaining.

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Then the Chairman passed to the discussion of the second point of the agenda and specified that the corresponding decision proposal does not require approval of the Special Meeting of savings shares, pursuant to art. 2376 of the civil code and art. 146 of the CFA, since they do not suffer any prejudice, considering that the shares are without indication of nominal value and the financial privileges of savings shares are parameterized according to an absolute monetary value (€0.49) and not book parity of shares. He also specified that holders of ordinary and savings shares did not have the right of withdrawal in relation to such decision and therefore he asked Notary Zabban to read the text of the proposed decision regarding the second point of the agenda. The notary noted that the meeting passed to the extraordinary phase, given the presence of the quorum, and read the following:

*“The Extraordinary Shareholders’ Meeting of Reno De Medici S.p.A., having acknowledged:*

- *The interim statement of financial position as at June 30, 2015 approved by this meeting;*
- *The losses recorded in the statement of financial position as at June 30, 2015, equal to €38,762,258.48;*
- *The available reserves equal to €1,763,830.24 (legal reserve + special reserve) recorded in the statement of financial position as at June 30, 2015;*
- *The profits for the period recorded in the statement of financial position as at June 30, 2015, equal to €2,239,196.98;*

#### **RESOLVES**

- *(i) to proceed, following the full use of the available reserves totaling €1,763,830.24, to cover the losses recorded in the statement of financial position as at June 30, 2015 for €38,726,258.48 net of profits for the period of €2,239,196.98 by reducing the share capital from the current figure of €185,122,487.06*

to €150,399,255.80, and therefore by €34,723,231.26, without prejudice to the number of outstanding shares, with no par value;

- (ii) consequently to amend Article 5 of the Company By-Laws as follows:

PROPOSED TEXT

**Article 5**

5.1. The share capital is €150,399,255.80 (one hundred and fifty million three hundred and ninety nine thousand and two hundred and fifty five/80) divided into 377,800,994 shares with no par value, of which:

- - 377,527,066 ordinary shares
- - 273,928 savings shares convertible to ordinary shares at the request of shareholders in February and September each year.

*Omissis*

- (iii) *To confer upon the Board of Directors – and for it to the Chairman and the CEO, separately – all powers required to execute, also by means of attorneys, this resolution and to file it by registration in the Companies Register, accepting and introducing the amendments, supplements or eliminations, formal and not substantial, which may be required by the competent Authorities."*

The Chairman resumed, recalling that since the first two points of the agenda were discussed jointly, the meeting will proceed with immediate voting on the proposed decision described in the second item of the agenda.

Therefore, he opened the voting, which took place by raising hands, and at the end declared the proposal approved by majority with 261,683,403 shares in favor out of 261,683,505 voting shares, with 0 shares opposing and 102 shares abstaining.

\*.\*.\*.\*

Then the Chairman passed to the discussion of the third item of the agenda, anticipating the intervention phase in view of the fact that the subject was already illustrated, even if incidentally, in the presentation of the first two items of the agenda.

The shareholder Davide Reale took the floor, indicating that the proposed operation was adequate in a short-term perspective, but

expressed some perplexity regarding its correctness in a medium-long term sustainability logic. He expressed concern this might have an impact on the stock price. Assuring the possibility of immediate coverage of losses in normal management could be interpreted by the markets as an operation meant to solve the problems only in the short run, without any real structural operation. At the end he asked the Chairman if he could assure that there would be no creditor opposition within the ninety-day period specified by law.

The Chairman resumed by indicating that he agreed with the shareholder on the need of long-term sustainability. He reassured the shareholder regarding the Company's willingness to follow a long-term solidity approach, declaring that the conditions for continuity are met and there is even a commitment to create new presumptions and maintain them. He said that the Company has the necessary instruments and the right numbers to remain on the market. The loss coverage indicated in the proposal is only one of the pursued objectives and does not represent the main goal, which is to distribute dividends based on the profits obtained and not by using the reserves. Regarding any opposition of creditors, he indicated that the current situation did not suggest it and therefore there should be no opposition; however, since the creditors have such a right, it is not possible to rule out such possibility *a priori* and assure with absolute certainty that there would be no opposition. He specified that holders of ordinary and savings shares did not have the right of withdrawal and asked Notary Zabban to read the text of the proposed decision regarding the third item of the agenda. The notary read the following proposal, specifying that the proposal was amended compared to the text contained in the Presentation Report, in order to avoid any misunderstandings:

*“The Extraordinary Shareholders' meeting of Reno De Medici S.p.A., having examined the Directors' Report prepared pursuant to Article 72 of the Issuers' Regulation no. 11971/1999;*

*RESOLVES*

*(i) to reduce the share capital, pursuant to art. 2445 of the Civil Code by 10,399,255.80 euro by attributing the same amount of the share capital to a specific net asset reserve called 'Available Reserve' of the same amount,*

*with the number of shares in circulation with no par value remaining unchanged;*

*(ii) to acknowledge that, pursuant to Article 2445, paragraph 3, of the Italian Civil Code, the resolution to reduce the share capital may only be carried out ninety days after registration in the Milan Companies Register, unless there is an opposition of creditors save as circumstances should arise pursuant to Article 2445, paragraph 4 of the Italian Civil Code;*

*(iii) to give a mandate to the Board of Directors to carry out the above resolution, conferring upon the Chairman of the Board of Directors and the CEO, separately, all powers to carry out whatever is necessary or appropriate to ensure the registration of these resolutions in the relevant Companies Register, with the right to accept and introduce into them, including unilaterally, any amendment and/or supplement of a formal and non-substantial nature that is necessary during registration or which is requested by the competent authorities and making provision, in general, for everything required for the full implementation of said resolutions, with all powers necessary and appropriate for such purpose, with no exclusions or exceptions;*

*(iv) to therefore authorize the Chairman of the Board of Directors and the CEO, separately, to file and publish, pursuant to the law and for the execution of the reduction of the share capital, the updated text of the Company By-Laws with the changes in the figures included in Article 5 (Share Capital) of the Company By-Laws resulting from the new amount of said share capital, in the formulation shown below:*

**PROPOSED TEXT**

**Article 5**

5.1. The share capital of €[DATA TO BE COMPLETED LATER AS SPECIFIED BELOW] divided into 377,800,994 shares with no par value, of which:

- 377,527,066 ordinary shares
- 273,928 savings shares convertible to ordinary shares at the request of shareholders

in February and September each year.

*omissis*

*The exact amount of share capital will be determined when the capital reduction indicated by the directors becomes effective".*

Notary Zabban specifies that if there is no special activity in the ninety days described in art. 2445 of the Civil Code, the share capital will be around 140 million, but it was preferred for correctness to indicate the number in the proposed text. The Chairman acknowledged that the Chairman of the Board of Auditors, Mr. Russo Corvace, had to leave the room.

Since the discussion ended before reading of proposed decision the Chairman opened the voting, which took place by raising hands, and at the end declared the proposal approved by majority with 261,683,403 shares in favor out of 261,683,505 voting shares, with 0 shares opposing and 102 shares abstaining.

\* \* \* \* \*

Then the Chairman opened the discussion of the fourth item of the agenda.

Sara Rizzon, representative of the shareholder Cascades S.a.s., took the floor and proposed to omit reading of the directors' presentation report regarding the Proposal of Authorization of purchase and disposal of own shares pursuant to art. 73 of the Issuers' Regulation and art. 125-ter of the CFA, also in consideration of the fact that the document was provided to shareholders in accordance with the law.

Since nobody opposed this, the Chairman resumed and briefly described the reasons behind the decision relative to the fourth item of the agenda. The Chairman specified and reminded [the audience] that the own shares, for which the purchase authorization was requested, would not be used to give a stock option to the management, but to avoid abnormal fluctuations of the stock price, which could be harmful for the Company, within the legal limits. He specified that despite the ongoing restructuring, the Company had already generated cash flow and its debt of approx. 229 million euro in 2003 was reduced to today's debt of about 60 million euro.

He asked notary Zabban to read the text of the decision proposed in the fourth item of the agenda;

The notary, specifying that the Ordinary Meeting resumed, read the following proposal:

*“The Ordinary Shareholders’ Meeting of Reno De Medici S.p.A.:*

- *having examined the proposal of the Board of Directors;*
- *aware of the provisions of Articles 2357 and 2357-ter of the Italian Civil Code, 132 of Legislative Decree no. 58/98 and 144-bis of the Issuers’ Regulation, as well as any other applicable provision,*

**RESOLVES**

1. *to authorize the purchase, on one or more occasions, for a period of 18 months from the date of this resolution, of ordinary shares of Reno De Medici S.p.A. using the methods described below:*

- *the maximum number of shares that can be purchased is equal to the maximum permitted by law;*
- *purchases should be made under price conditions that comply with the provisions of Article 5, paragraph 1, of (EC) Regulation no. 2273/2003 of the European Commission of December 22, 2003 and in compliance with the conditions and limits established by Consob with regard to permitted market practices, where applicable;*
- *Purchases should be made according to the modalities of Art. 144-bis, comma 1, letter b) of Issuers’ Regulations;*

2. *To authorize the disposal of treasury shares, on one or more occasions, without time limits, using the methods deemed most appropriate in the interest of the Company and in compliance with applicable regulations, using the methods described below:*

- *The shares purchased may be subject to disposal before the upper limit of purchases under this resolution has been reached;*
- *Operations involving assets, specifically the sale of treasury shares, must not be carried out at a price 10% lower than the benchmark price recorded on the MTA in the stock exchange session prior to every individual operation;*
- *If the treasury shares are subject to trading, exchange, conferral or any other non-monetary act of disposal, the economic terms of the transaction shall be determined according to the nature and characteristics of the transaction, also taking into account the performance of Reno De Medici S.p.A. stock;*
- *If the shares are utilized for the purposes or market liquidity support activities, the sales*

*must be made in accordance with the criteria set by Consob regarding the permitted market practices;*

*4. To confer upon the Board of Directors and through it on the Chairman and the CEO, separately, all powers necessary to practically and fully execute the resolutions in the previous items and to inform the market in this regard, pursuant to the applicable regulations.”*

The Chairman asked the shareholders who intended to speak to communicate such an intention.

Shareholder Giancamillo Naggi took the floor and indicated that the purchase of own shares was in the interest of the company, especially from the economic point of view, since it was a real bargain, considering the current price reduction of the share. He considered that the proposal should absolutely be followed, of course within the limits permitted by law.

Notary Zabban took the floor and indicated that during the reading of the proposed decision he gave an incorrect indication of the maximum number of the shares that can be bought by the Company, indicating one-tenth of the share capital. He expressed his apologies to the Meeting, noting that the proposed decision, as formulated in the directors' presentation report, did not refer to the limit of one-tenth of the share capital, and indicated only "the maximum number permitted by law".

Shareholder Carlo Maria Braghero took the floor and acknowledged the notary's explanation of the limit of purchase of own shares compared to the share capital. He agreed with the position of shareholder Naggi but only in principle, since from the practical point of view it would be better to have a different consideration, and namely, if preferable for the company, in presence of available reserves, to buy own shares rather than making other investments or distributions in favor of shareholders. Then he raised the problem of the quantitative limit of purchase of said shares, considering the proposed limit exaggerated in the case of the Company. He indicated that the numbers given in the proposal were the results of poor weighting. Then he raised two more considerations. First of all he considered that in the formulation of the decision proposed in the third item of the agenda regarding the creation of an available reserve it would be



useful to make reference to its sole use for purchase of own shares described in item four of the agenda. In the last proposed decision there is no reference to the sources for the purchase of own shares. Secondly, the available reserve, whose creation was approved, shall be used only after ninety days elapse. He asked if the decision is also to be considered effective only after the ninety days. In view of this schedule, the management would have three more months compared to the eighteen months indicated in the regulations, and the authorization would expire as of the date of the meeting called to approve the financial statements in two years, with the possibility of renewing the authorization on that occasion, respecting the cost containment principles the Company declares to follow.

Notary Zabban took the floor and explained that the eighteen months started as of today in order to avoid forced application of the regulation including also the ninety days described in Art. 2445 of the Civil Code. Therefore, the eighteen months would start as of the date of meeting's authorization, or today's date, in case of approval, and despite that the Company may not proceed with purchases for three months from today's date. Therefore, the effective duration of the authorization would be fifteen months. He agreed with shareholder Braghero regarding the fact that it could be considered preferable to correlate the two proposed decisions, as more coherent from the substantive point of view of the operation. However, the choice of making the single point autonomous, both at the discussion at the meeting and in the information documentation, was made specifically to consider the possibility that some items may not be approved by the meeting.

The Chairman confirmed the notary's clarifications regarding this subject and specified that the administration did not intend to delist the Company. The Company attempts in any case to generate cash flow and do whatever is necessary to provide the Directors with the means to operate.

After the discussion ended, the Chairman opened the voting, which took place by raising hands, and at the end declared the proposal approved by majority with 225,033,655 shares in favor out of 261,683,505 voting shares, with 36,649,748 shares opposing and 102 shares abstaining.

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Since there was nothing else to be discussed, the Chairman declared the Meeting closed at 12:20 PM."

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The following documents are attached to this deed:

- Under the letter "A", in a single document, the list of persons present and the results of voting;
- Under the letter "B", the Company's financial report as at June 30, 2015, signed in original, together with the financial situation as of the same date;
- Under the letter "C", the Presentation Report of the Board of Directors on items 1 (interim statement of financial position as at June 30, 2015) and 2 (voluntary reduction of the share capital to cover the losses recorded in the interim statement of financial position as at June 30, 2015) on the Agenda of the Shareholders' Meeting called for October 30 and November 1, 2015, prepared in accordance with Art. 125-ter of the CFA and Art. 72 of the Issuers' Regulation, signed in original;
- Under the letter "D", the Presentation Report of the Board of Directors on item 3 (Reduction of share capital by attributing to "available reserve" pursuant to and for the purposes of Art. 2445 of the Italian Civil Code, for the amount of €10,399,255.80) in the Agenda of the Meeting called for October 10 and November 1, 2015, prepared pursuant to Art. 125-ter of the CFA and Art. 72 of the Issuers' Regulation, signed in original;
- Under the letter "E" the Presentation Report of the Board of Directors on item 4 of the agenda (Proposal of authorization of purchase and disposal of own shares) prepared pursuant to Art. 73 of the Issuers' Regulation and art. 125-ter of the CFA, signed in original;
- Under the letter "F", the observations of the Board of Auditors regarding the first two items of the agenda, signed in original;
- Under the letter "G", the text of the by-laws in its updated version.

These minutes were signed by me, the notary, at 5 PM of this seventeenth day of November two thousand fifteen.

This deed, prepared using an electronic system by my trusted associate and completed by me, the notary, consists of thirteen half-sheets for a total of twenty-five pages.

Signed by Filippo Zabban

