Reno De Medici S.p.A.

PROCEDURE GOVERNING RELATED PARTY TRANSACTIONS

Approved by the Board of Directors on 4 November 2019
1 PREAMBLE

1.1 Reno De Medici S.p.A. ("Reno De Medici" or "Company") has adopted this procedure ("RPT Procedure") pursuant to Article 2391-bis of the Italian Civil Code and the Regulation adopted by Consob Resolution No. 17221 of 12 March 2010, as amended ("RPT Regulation") together with the recommendations set out in the Corporate Governance Code for Listed Companies issued by Borsa Italiana S.p.A. (hereinafter “Corporate Governance Code”).

1.2 The purpose of the RPT Procedure is to strengthen the protection of minority shareholders and other stakeholders by combating any abuses that may arise from transactions carried out by Related Parties involving a potential conflict of interest.

1.3 The RPT Procedure was approved by the Reno De Medici Board of Directors on 4 November 2019, with the prior approval of the Related Party Transactions Committee ("RPT Committee") and supersedes the previous versions of 8 November 2010 and 3 August 2011. The RPT Procedure is published on the Company’s website (www.rdmgroup.com), in the “Governance” section.

2 DEFINITIONS

The following definitions apply to the RPT Procedure:

MANAGING DIRECTOR: the director with powers delegated by the Reno De Medici Board of Directors pursuant to Article 2381 of the Italian Civil Code.

INDEPENDENT DIRECTORS: non-executive directors who meet the independence requirements laid down in Article 148, paragraph 3, of the Consolidated Law and Article 3 of the Corporate Governance Code to which the Company adheres.

UNRELATED DIRECTORS: directors other than the counterparty in a given transaction and their Related Parties.

RELATED PARTY TRANSACTIONS COMMITTEE or RPT COMMITTEE: the committee set up by the Company pursuant to Article 4 of this Procedure.

MARKET EQUIVALENT OR STANDARD TERMS: terms similar to those usually applied to unrelated parties for transactions of a similar nature, amount and risk, or based on regulated rates or fixed prices or those applied to entities with which the issuer is obliged by law to contract at a specific price.

CONTROL AND JOINT CONTROL: control is the power to determine the financial and operating policies of an entity in order to benefit from its activities.

Control is presumed to exist when a party owns, directly or indirectly through its subsidiaries, more than half of the voting rights of an entity unless, in exceptional cases, it can be clearly demonstrated that such ownership does not constitute control. Control also exists when a person holds half, or less, of the voting rights exercisable at the Shareholders’ Meeting if such party has: (a) control of more than half of the voting rights under an agreement with other investors; (b) the power to determine the financial and operating policies of the entity by virtue of the Articles of Association or an agreement; (c) the power to appoint or remove the majority of the members of the board of directors or equivalent corporate governance body, and that board or body has control of the entity; (d) the power to exercise the majority of voting rights at meetings of the Board of Directors or equivalent corporate governance body, and that board or body has control of the entity.

Joint control is the contractually agreed sharing of control over an economic activity.

KEY MANAGEMENT PERSONNEL: Key management personnel include: (i) members of the Company’s Board of Directors; (ii) standing members of the Company's Board of Statutory Auditors; (iii) the Financial Reporting Officer responsible for preparing corporate accounting documents; (iv) other persons who have the power and responsibility for planning, managing and controlling the Company’s activities identified and proposed annually by the Managing Director to the Board of Directors.
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RECIPIENTS: all the following persons to whom the RPT Procedure applies: (i) Key management personnel; (ii) Corporate Officers; (iii) Managers of Reno De Medici who have been granted powers to carry out transactions with an economic value equal to or greater than that of Minor Transactions; (iv) Members of the Related Party Transactions Committee.

CORPORATE OFFICER: all persons who act for and on behalf of the Company or its subsidiaries pursuant to Article 2359 of the Italian Civil Code and are responsible from time to time for carrying out a transaction.

SIGNIFICANT INFLUENCE: the power to play a part in determining an entity’s financial and operating policies without holding control. Significant influence can be achieved through the holding of shares, through the Articles of Association or agreements.

If an entity owns, directly or indirectly (for example through subsidiaries), 20% or more of the voting rights exercisable at the shareholders’ meeting of an investee company, it is presumed to have significant influence, unless it can be clearly demonstrated to the contrary. Conversely, if the entity owns, directly or indirectly (for example through subsidiaries), less than 20% of the votes exercisable at the shareholders’ meeting of an investee company, it is presumed to have no significant influence, unless such influence can be demonstrated with certainty. The presence of a person with an absolute or relative majority of voting rights does not necessarily preclude another person from having a significant influence.

Significant influence usually occurs when one or more of the following circumstances occur: (a) representation on the board of directors or equivalent body of an investee company; (b) participation in the decision-making process, including participation in decisions concerning dividends or other types of profit distribution; (c) the presence of significant transactions between a shareholder and an investee company; (d) exchanges of executive personnel; (e) the provision of essential technical information.

JOINT VENTURE: a contractual arrangement whereby two or more parties undertake a jointly controlled economic activity.

TRANSACTIONS CARRIED OUT THROUGH SUBSIDIARIES: transactions carried out by the subsidiaries of Reno De Medici with Related Parties of the latter pursuant to Article 2359 of the Italian Civil Code.

RELATED PARTIES: A person is a Related Party to the Company if:

(a) directly or indirectly, including through subsidiaries, trustees or intermediaries:
   (i) it controls the Company, is controlled by it, or is under common control;
   (ii) it has a shareholding in the Company that enables it to exercise significant influence over the latter;
   (iii) it exercises control over the Company, jointly with other entities;
(b) it is an associate of the Company;
(c) it is a joint venture in which the Company is a participant;
(d) it is one of the Key Management Personnel of the Company or its parent company;
(e) it is a close family member of one of the persons referred to in points (a) or (d);
(f) it is an entity in which one of the persons referred to in points (d) or (e) exercises control, joint control or significant influence, or holds, directly or indirectly, a significant share, in any case not less than 20%, of the voting rights;
(g) it is a supplementary pension fund, whether collective or individual, Italian or foreign, established for the benefit of the employees of the Company or of any other entity related thereto.

INDIRECT RELATED PARTY: a Related Party identified from time to time by a Direct Related Party and communicated to the Company through Schedule 1.


HEAD OF LEGAL AND CORPORATE AFFAIRS: the person in charge of the Legal and Corporate Affairs Department at Reno De Medici.
ASSOCIATED COMPANY: an entity, including one without legal personality (as is the case with a partnership) where a shareholder exercises Significant Influence but not Control or Joint Control.

SUBSIDIARY: an entity, including one without legal personality (as is the case with a partnership) over which another entity exercises Control.

CLOSE FAMILY MEMBERS: any family members expected to influence, or be influenced by, the person concerned in their relationship with the company, including (a) any not legally separated spouse and live-in partner, (b) the children and dependants of the person, any not legally separated spouse or live-in partner, and (c) if living with the person for at least one year, blood relatives or other relatives.

TUF: Legislative Decree No. 58/98 as subsequently amended and supplemented.

3 SCOPE

3.1 The RPT Procedure establishes the principles and rules to which Reno De Medici adheres and aims to:

(i) identify the various categories of RPTs carried out by the Company directly or through subsidiaries;
(ii) determine the relevant decision-making process;
(iii) fulfil the relevant reporting obligations.

4 RELATED PARTIES REGISTER

4.1 Reno De Medici's Related Parties are listed in a special electronic document ("Related Parties Register") managed by the Company and available for consultation by the Corporate Officers of the Company and its Subsidiaries, through access to a specific folder within the corporate network.

4.2 The Department responsible for keeping and updating the Related Parties Register is the Legal and Corporate Affairs Department, in the person of its responsible, which inputs the data: (i) on the basis of information and documentation in the company's records, with the support of the competent departments of the Company and its Subsidiaries; (ii) on the basis of written declarations made by Direct Related Parties by compiling Schedule 1 of this RPT Procedure. The Head of the Legal and Corporate Affairs Department manages the register and all information useful for identifying Related Parties, in accordance with the provisions of personal data processing laws (the EU Regulation known as GDPR) and sends the relevant policy statement set out in Schedule 1 to persons entered on the Register.

4.3 At all times, Related Parties, including on behalf of Indirect Related Parties, must promptly communicate to the Head of Legal and Corporate Affairs Department the information necessary to enable the fulfilment of the obligations established in the RPT Procedure. Without prejudice to the disclosure obligations referred to in this paragraph, on and within the deadline established by the Borsa Italiana Markets Regulation, the Head of the Legal & Corporate Affairs Department must send the relevant confirmation request form (Schedule 1) by email to all Key Management Personnel. Recipients must return this duly completed form within 5 days of receipt. Failure to reply within the deadline indicated therein shall be equivalent to declaring "no change" from the information previously provided.

4.4 In addition to the above, in order to ensure compliance with the principles of managerial transparency established in the RPT Procedure and in the Code of Ethics, the Company shall in all cases request that persons with external powers of representation with a notarial power of attorney notify whether they manage and/or are aware of relationships with entities that, according to the provisions of this RPT Procedure, could be considered Related Parties.

5 PROCEDURE FOR IDENTIFICATION AND APPROVAL OF RPTs

5.1 The Corporate Officer, as soon as possible and based on the characteristics of the transaction and available information:

- must verify whether the counterparty is a Related Party by consulting the Related Parties Register;
• if the counterparty is a Related Party, he must immediately notify the Head of Legal and Corporate Affairs Department in writing of all information relating to the transaction, such as, by way of example, the name of the counterparty, a description of the transaction, the terms thereof, and any other element useful for verification pursuant to Article 6.2 below.

5.2 The Head of Legal and Corporate Affairs Department shall determine:

(i) whether the transaction is a Related Party Transaction
(ii) whether the Transaction qualifies for one of the grounds for exemption provided for in Article 11 below and that there are no Significant Interests of other Related Parties of the Company;
(iii) whether the transaction is implementing a framework resolution;
(iv) whether the transaction qualifies as a Material Transaction or a Non-Material Transaction.

In order to ascertain the above elements, the Head of Legal and Corporate Affairs Department may consult the Parent Company’s Chief Financial Officer (CFO) (if not directly involved in the assessment) and with the RPT Committee.

5.3 If the transaction qualifies as a Material Transaction or a Non-Material Transaction and is not classified as an excluded transaction pursuant to Article 11 below or as a transaction in implementation of a framework resolution, the Head of Legal and Corporate Affairs Department shall begin the procedural process by sending the Chairman of the RPT Committee and, for information, the Chairman of the Board of Statutory Auditors, the Managing Director and the Corporate Officer a note containing:

a) a description of the transaction, an indication of the value, terms and the expected deadline for carrying it out and an indication of whether it is classed as a Material/Non-Material Transaction;

b) details of the Related Party involved and the nature of the relationship;

c) an explanation of the Company’s reasons for its interest in carrying out the transaction and any risks;

d) any other information useful to the RPT Committee for the performance of their duties.

5.4 The Chairman of the RPT Committee shall call a Committee meeting without delay to examine and assess the information received and to begin the investigation necessary to examine the RPT and prepare the opinion. He shall also notify the Managing Director, the Corporate Officer and the Head of Legal and Corporate Affairs Department of the deadline necessary to perform his work, when this is longer than the time envisaged for carrying out the transaction. To this end, the Committee may (a) request the assistance of the heads of the Company’s internal departments, (b) assign to one or more of its members, who will assume the status of Liaison Officer(s), the task of monitoring the phases of negotiations and investigation of the transaction, if the transaction is classed as a Material Transaction.

5.5 Following the work referred to in Article 5.4 above, the Chairman of the Committee will promptly inform the Head of Legal and Corporate Affairs Department, the Corporate Officer and, for information, the Chairman of the Board of Statutory Auditors, of the decisions taken by the RPT Committee.

5.6 Articles 6 and 7 below shall apply respectively to Material or Non-Material Transactions.

6 PROCEDURE FOR MATERIAL TRANSACTIONS

6.1 For the purposes of this RPT Regulation, Material RPTs (“Material RPTs”), shall mean the following RPTs:

(a) RPTs for which at least one of the Materiality Indicators (as defined in Article 6.2 below), applicable according to the specific transaction, exceeds 5%;

(b) RPTs with a listed parent company (where one exists), or with persons related to the latter who in turn are also related to Reno De Medici, if at least one of the Materiality Indicators (as defined below) exceeds 2.5%;
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(c) RPTs that may affect the Company’s management autonomy (including those relating to intangible assets) or that in any case relate to assets or property of strategic importance for the Company, if the value of at least one of the Materiality Indicators (as defined below) exceeds 2.5%. Assessment of the strategic importance of certain property or assets of the Company is entrusted, without exception, to the Board of Directors, which resolves on this matter from time to time, on the initiative of even only one of its members, or at the request of the Board of Statutory Auditors.

6.2 For the purposes of identifying Material RPTs pursuant to the RPT Regulation, the following tests or materiality indicators (“Materiality Indicators”) shall apply:

(a) **Consideration test**: identifies the relationship between the countervalue of the RPT and the shareholders’ equity taken from the most recent consolidated balance sheet published by Reno De Medici or, if greater, the market capitalisation of Reno De Medici recorded at the end of the last open market day of the reporting period of the most recent published periodic accounting document (annual or half-yearly financial report or interim report on operations).

If the economic conditions of the RPT are determined, the countervalue of the RPT is:

i. for cash components, the amount paid to or by the contractual counterparty;

ii. for components consisting of financial instruments, the **fair value** determined, at the date of the RPT, in accordance with international accounting standards;

iii. for RPTs comprising loans or guarantees, the maximum amount payable.

If the economic conditions of the RPT depend, in whole or in part, on amounts not yet known, the countervalue of the RPT is the maximum amount that can be received or is payable under the agreement.

(b) **Gross assets test**: identifies the ratio of the gross assets which are the subject of the transaction to the gross assets of Reno De Medici. The data to be used must be taken from the most recent consolidated balance sheet published by Reno De Medici. Where possible, similar data should be used to determine the gross assets of the entity which is the subject of the transaction. For transactions involving the purchase or sale of equity investments in companies that affect the scope of consolidation, the numerator value is the gross assets of the investee company, regardless of the percentage of capital which is the subject of the transaction.

For transactions involving the acquisition and sale of equity investments in companies that do not affect the scope of consolidation, the numerator value is:

i. in the case of acquisitions, the value of the RPT plus any liabilities of the acquiree assumed by the acquirer;

ii. in the event of disposals, the consideration for the asset sold.

For the purchase and sale of assets other than equity investments, the numerator value is:

i. in the case of acquisitions, the greater of the consideration and the carrying value that will be attributed to the asset following the transaction;

ii. in the case of disposals, the carrying value attributed to the asset before the transaction.

(c) **Gross liabilities test**: identifies the ratio of the gross liabilities of the entity acquired to the gross assets of Reno De Medici. The data to be used must be taken from the most recently published consolidated balance sheet. Where possible, similar data should be used to determine the gross liabilities of the acquired company or business unit.
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6.3 For the purposes of this Procedure, all RPTs that cannot be defined as Material RPTs pursuant to Articles 6.1 and 6.2 above are defined as Non-Material RPTs ("Non-Material RPTs"), without prejudice to the fact that transactions that qualify as exclusions and exemptions as indicated in Article 11 below do not fall within the definition of Material RPTs or Non-Material RPTs.

6.4 Material Transactions, which are not the responsibility of the Shareholders’ Meeting, shall be approved by the Board of Directors subject to the binding, reasoned and favourable opinion of the RTP Committee regarding (i) the existence of an interest on the part of the Company in carrying out the transaction and (ii) the reasonableness and substantial fairness of the respective conditions provided for in Articles 6.1 and 6.2 above. The RTP Committee or, if appointed, the Liaison Officer(s) will be involved in the negotiation and investigation of the RPT, will receive complete and timely information and have the power to request information and submit comments to the Corporate Officer. During the negotiation and investigation phase, the RTP Committee must be constantly and promptly updated in writing with respect to developments in the negotiations and any changes in the terms and conditions, deadlines and/or essential characteristics of the transaction.

6.5 The RTP Committee or the Liaison Officer(s) may, if deemed appropriate, use the services of one or more independent experts chosen independently by the RTP Committee appointed by the Company at its expense. Where a request is made by the RTP Committee or by the Liaison Officer(s), the above experts, subject to coordination with the Corporate Officer, may take part in the ongoing negotiations, participating in meetings with counterparties and/or with any consultants appointed by the Company involved in various ways in the study and structuring of the transaction and shall receive the relevant documentation promptly.

6.6 The RTP Committee must express its opinion with a clear indication of whether or not the RTP Committee is in favour of concluding the RPT in good time for the meeting of the Board of Directors called to resolve on the RPT.

6.7 The Board of Directors, convened to approve the RPT, shall receive from the Corporate Officer through the Head of Legal and Corporate Affairs Department - in time for approval - information on the RPT to be carried out pursuant to Article 5.3 above, with an indication of the outcome of the investigation, together with a copy of the opinion of the RTP Committee referred to in the previous paragraph and any other opinions issued in relation to the RPT. This information must also be sent to the Chairman of the Board of Statutory Auditors.

6.8 If the RPT is approved, the minutes of the board meeting will provide adequate proof of the Company’s interest in carrying out the transaction and of the reasonableness and substantial fairness of the respective terms and conditions.
7 **PROCEDURE FOR NON-MATERIAL TRANSACTIONS**

7.1 Non-Material Related Party Transactions ("Non-Material RPTs"), which are not within the competence of the Shareholders' Meeting, are approved by the Board of Directors or by delegated bodies which, as the case may be, have competence with regard to the specific Non-Material RPT on the basis of powers granted to them by virtue of a board resolution to appoint them as a delegated body of Reno De Medici (the "Delegated Bodies"). If they deem it appropriate, the Delegated Bodies may always decide to submit the Non-Material RPTs for collective approval of the Board of Directors, with respect to any RTPs for they have competence.

7.2 Non-Material RPTs may not be carried out without the prior, non-binding, reasoned opinion of the RPT Committee regarding:

(i) the existence of an interest on the part of the Company in carrying out the transaction;

(ii) the reasonableness and substantial fairness of the relevant terms and conditions.

7.3 The RPT Committee may, if deemed appropriate, use the services of one or more independent experts chosen independently by the Committee and appointed by the Company at its expense.

7.4 If, in respect of a certain Non-Material RPT, there are not at least two Unrelated Independent Directors on the RPT Committee, the Committee's functions shall be performed by the only Unrelated Independent Director, or in the alternative by an independent and unrelated external expert duly appointed by the Board of Directors.

7.5 The RPT Committee must express its opinion with a clear indication of whether or not it is in favour of concluding the RPT in sufficient time for the approval or conclusion of the RPT, if it is not subject to prior approval.

7.6 The body or department with competence to decide on the RPT shall receive from the Corporate Officer through the Head of Legal and Corporate Affairs Department - in time for approval - information on the RPT to be carried out pursuant to Article 5.3 above, with an indication of the outcome of the investigation, together with a copy of the opinion of the RPT Committee referred to in the previous paragraph and any other opinions issued in relation to the RPT. This information must also be sent to the Chairman of the Board of Statutory Auditors.

7.7 The minutes approving the RPT will provide adequate proof of the Company's interest in carrying out the transaction and of the reasonableness and substantial fairness of the respective terms and conditions. In the event that the decision regarding the RPT is the responsibility of a non-collegial body (the so-called Delegated Bodies and others such as, by way of example but not limited to, the Sole Director of a company controlled by Reno De Medici or a Reno De Medici Corporate Officer or a subsidiary), the decision to carry out the RPT must be set out in writing and must likewise provide adequate proof of the Company's interest in carrying out the transaction and for the reasonableness and substantial fairness of the respective terms and conditions; once the transaction has been concluded, detailed information must, in all cases, be provided at the first possible meeting of the Company's Board of Directors.
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7.8 At least once a quarter, the Head of Legal and Corporate Affairs shall report on the carrying out of Non-Material RPTs and shall provide all necessary documentation to present a clear picture of the RPT to the Board of Directors, the Board of Statutory Auditors and the RPT Committee in terms of carrying out of Non-Material RPTs.

8 TRANSACTIONS FOR WHICH THE SHAREHOLDERS’ MEETING IS RESPONSIBLE

8.1 If, on the basis of legal provisions or the Articles of Association, the RTPs are the responsibility of the Shareholders’ Meeting or must be authorised by it, during the negotiation, investigation and approval of the draft resolution to be submitted to the Shareholders’ Meeting, the procedure mentioned respectively in the following shall be observed mutatis mutandis:

- Article 6 for Material RPTs;
- Article 7 for Non-Material RPTs;

except as provided in paragraph 8.2 below.

8.2 If the draft resolution is approved by the Board of Directors of the Company and submitted to the Shareholders’ Meeting, notwithstanding the dissenting or negative opinion of the RPT Committee, the following procedure shall apply, regardless of whether it is a Material or Non-Material Transaction:

- for Material RPTs: when submitting the relevant draft resolution to the Shareholders’ Meeting, the Board of Directors shall make its effectiveness and/or execution subordinate to approval provided that the conclusion of such RPTs is authorised, pursuant to Article 2364, paragraph 1, number 5) of the Italian Civil Code, by the Shareholders’ Meeting called to pass resolution. Specifically, the Shareholders’ Meeting resolves, in accordance with Article 11, paragraph 3, of the RPT Regulation, provided that:
  1) the quorums required by the Articles of Association of the Company for constituting meetings and passing resolutions are reached; and
  2) if the unrelated shareholders present at the Shareholders' Meeting represent at least 10% of the share capital with voting rights, the majority of the unrelated shareholders voting vote in favour of the transaction.

The status of related or unrelated shareholder shall be declared by the Chairman of the Shareholders’ Meeting, on the basis of available information contained in the RPT register referred to in Article 4 above. The minutes of the Shareholders’ Meeting must record the methods and the results of the voting and must include, in an attachment, details of shareholders who voted in favour, abstained or voted against. The Chairman of the Meeting shall be responsible for identifying the related and the unrelated shareholders, as above.

- for Non-Material RPTs: the transaction is resolved upon by the Shareholders’ Meeting according to the majorities established in the Articles of Association.
9 **TRANSACTIONS CARRIED OUT THROUGH SUBSIDIARIES**

9.1 Transactions carried out through Subsidiaries are subject to prior approval by the Company’s Corporate Bodies or Officers in the manner and under the terms specified below.

9.2 The Corporate Officer carries out the checks and draws up the information referred to in Article 5.1 above without delay and sends it to the Head of Legal and Corporate Affairs Department. The Legal and Corporate Affairs Department carries out the investigations required under Article 5.2 above according to the procedures set out therein.

9.3 If the transaction qualifies as a Material Transaction or a Non-Material Transaction and is not an excluded transaction pursuant to Article 10 below or a transaction in implementation of a framework resolution (cf. Article 12), the Head of Legal and Corporate Affairs Department initiates the procedural process according to the terms and conditions set out in Article 5.3 above.

9.4 Articles 5.4, 5.5, 5.6 and, depending on the size of the RPT, Articles 6 and 7 are applicable, without prejudice to the following provisions:

(i) approval of the Transaction concluded through a Subsidiary must be given by the Board of Directors or by the competent Delegated Body of Reno De Medici, following the issue of the reasoned opinion of the RPT Committee which, depending on the materiality of the RPT, will be binding or non-binding respectively;

(ii) that opinion should be sent to the person with the power to approve the transaction and forwarded by that person to the corporate bodies of the subsidiary with the power to resolve on the transaction or to carry it out;

(iii) the person with the power to approve the transaction ensures compliance with Article 10.5

9.5 Depending on the value of the transaction or its foreseeable Maximum Amount, Articles 10.1 and 10.2 apply in the case of Material Transactions or Article 10.3 in the case of Non-Material Transactions.

9.6 Framework resolutions for Transactions carried out through Subsidiaries are permitted under the conditions established, *mutatis mutandis*, in this article.
10 **REPORT ON TRANSACTIONS**

10.1 During Material Transactions carried out through Subsidiaries, the Company prepares, pursuant to Article 114, paragraph 5, of the TUF, an information document in the manner and within the time limits established by the RPT Regulations.

10.2 The Company also prepares this information document if, during the year, transactions with a Related Party or with parties associated with both the latter and the Company, a series of similar transactions or transactions carried out to achieve a single purpose are undertaken which, although not individually classifiable as Material Transactions, exceed, in the aggregate, the materiality thresholds indicated in the RPT Regulations. For the purposes of this paragraph, transactions in any way excluded from the application of this Procedure are not considered.

10.3 If the RPT Committee has issued a negative opinion on the Non-Material RPTs, RDM (within 15 (fifteen) days of the end of each quarter of the financial year) must make available to the public (at the registered office and in the manner indicated in Part III, Title II, Chapter I, of the Issuers’ Regulations) a document containing details of the counterparty, the purpose and the consideration of the Non-Material RPTs approved in the quarter of reference, notwithstanding the aforementioned negative opinion, as well as the reasons for not agreeing with the said opinion. Within the same time period, the opinion of the RPT Committee must be made available to the public, as an appendix to the information document or on the website.

10.4 If a Related Party Transaction is also subject to the disclosure obligations established in Article 114 (1) TUF, the information required under Article 6 of the RPT Regulation must be included in the press release to be circulated to the public, in addition to the information to be published pursuant to the above provision.

10.5 The Managing Director shall report on a quarterly basis to the Board of Directors and the Board of Statutory Auditors of Reno De Medici, indicating the main characteristics of the RPTs being carried out and Transactions carried out through Subsidiaries, including when such transactions have been exempted pursuant to Article 11 below.

10.6 The Legal and Corporate Affairs Department ensures that the report complies with Article 13, paragraph 3, letter c), i), of the Regulation is compliant.

10.7 The interim management report and the annual management report must contain the information referred to in Article 5(8) of the RPT Regulation.

11 **EXEMPTIONS**

11.1 Without prejudice to the mandatory provisions of the RPT Regulation, the following Related Party Transactions are exempt from application of the procedural and transparency rules established by the RPT Regulation and by the provisions of this RPT Procedure, even if carried out through Subsidiaries:

(i) RPTs that are for small amounts (“Minor RPTs”), i.e. of a value less than €100,000.00 (one hundred thousand euros) per individual transaction;

(ii) resolutions of the Shareholders’ Meeting on directors’ remuneration pursuant to Article 2389, paragraph 1 of the Italian Civil Code;

(iii) board resolutions on the remuneration of directors vested with particular responsibilities falling within the total amount previously determined by the Shareholders’ Meeting pursuant to Article 2389, paragraph 3, of the Italian Civil Code;

(iv) resolutions passed at Shareholders’ Meetings pursuant to Article 2402 of the Italian Civil Code concerning fees due to members of the Board of Statutory Auditors;
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(v) resolutions (other than those already excluded from the scope of application of the RPT Regulation, pursuant to Article 13, paragraph 1, thereof) on the remuneration of Directors vested with particular responsibilities, together with other Key Management Personnel, on condition that:
  • the Company has adopted a remuneration policy;
  • a Committee, consisting exclusively of non-executive directors, the majority of whom are independent, was involved in defining the remuneration policy;
  • a report setting out the remuneration policy has been submitted for approval or for an advisory vote to the Shareholders’ Meeting;
  • the remuneration awarded is consistent with this policy.

(vi) compensation plans based on financial instruments approved by the Shareholders’ Meeting pursuant to Article 114-bis of Legislative Decree No. 58 of 24 February 1998, as subsequently amended (“TUF”) and the related executive operations;

(vii) Intragroup RPTs with or between Subsidiaries (including jointly) by Reno De Medici and RPTs with Associated Companies and between Subsidiaries and Associate Companies, provided that the Subsidiaries or Associate Company counterparties of the RPT do not identify any interest as significant (“Significant Interest”).

For the purposes of this RPT Procedure, Significant Interests are considered to be:
  • Interests pertaining to assets or assets of strategic importance for the Company pursuant to paragraph 6.1(c) above if at least one of the Materiality Indicators exceeds 2.5%;
  • Interests held by the entity controlling Reno De Medici, where the equity interest held by that entity (even indirectly) in the counterparty company which is the subject of the RPT, controlled by or associated with Reno De Medici, is actually greater than that the equity interest held by the same entity in Reno De Medici;
  • The interests of the controlling entity of Reno De Medici and/or of the executive directors of RDM for which an economic value exceeding the threshold for Minor RPTs referred to in paragraph 11.1 (i) above may be identified;
  • All interests of Related Parties defined as significant by a specific resolution of the Board of Directors. The Board of Directors shall resolve upon the significance of the interests of a Related Party, including at the initiative of only one of its members or at the request of the Board of Statutory Auditors.

The procedures to be followed for the management of and information on the presence of Significant Interests are laid down in Article 12 below.

11.2 Furthermore, if provided by the Articles of Association, Urgent RPTs are exempt from application of the procedural obligations provided for by the RPT Regulation, under the conditions laid down in paragraph 11.3 below, without prejudice to the reporting obligations laid down in Article 5 of the RPT Regulation.

11.3 The Company may decide not to apply the provisions of this RPT Procedure in the event of Urgent RPTs but must fulfil the following requirements:

1) RPTs not within the purview of the Shareholders’ Meeting or subject to the authorisation of the Shareholders’ Meeting:
  (i) if the RPC to be carried out is the responsibility of a Delegated Body, the Chairman of the Board of Directors and any Lead Independent Director appointed must be informed by the
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Head of Legal and Corporate Affairs Department of the reasons for such urgency prior to the transaction;

(ii) the RPTs must subsequently be the subject, without prejudice to their effectiveness, of a non-binding resolution adopted by the next possible Ordinary Shareholders' Meeting;

(iii) the body convening the Shareholders' Meeting held to resolve pursuant to point (ii) above must produce a report with an explanation of and setting out the reasons for the urgency;

(iv) the control body must notify the Shareholders' Meeting of its opinion on the existence of reasons for such urgency;

(v) the report and opinions referred to in points (iii) and (iv) above must be made available to the public at least 21 (twenty-one) days before the date set for the Shareholders' Meeting referred to in point (ii) above, at the registered office and according to the procedures set out in Part III, Title II, Chapter I, of the regulation adopted by CONSOB by Resolution No. 11971/1999 ("Issuers' Regulation"). These documents may be contained in the information document referred to in Article 5, paragraph 1, of the CONSOB Regulation;

(vi) information on the results of the vote, with particular regard to the total number of votes cast by unrelated shareholders, must be made available to the public (in the manner set out in Part III, Title II, Chapter I, of the Issuers' Regulation) on the day after the Shareholders' Meeting referred to in point (ii) above,

2) RPTs within the purview of the Shareholders' Meeting or subject to the authorisation of the Shareholders' Meeting, if provided by the Articles of Association, cases of urgency, related to corporate crisis situations", which include, by way of example:

- significant losses pursuant to Articles 2446 and 2447 of the Italian Civil Code;
- situations in which the Company is subject to insolvency proceedings or situations in which the Company or its auditor is uncertain as to the going concern;
- financial distress that is expected to result in a significant and rapid decline in capital pursuant to Articles 2446 and 2447 of the Italian Civil Code referred to above.

(i) the body required to convene the Shareholders' Meeting must produce a report containing reasonable grounds for the urgency;

(ii) the control body must notify the Shareholders' Meeting of its opinion on the existence of reasons for such urgency;

(iii) the report and opinions referred to in points (ii) and (iii) above must be made available to the public (at least 21 (twenty-one) days before the date set for the Shareholders' Meeting), at the registered office and according to the procedures set out in Part III, Title II, Chapter I, of the Issuers' Regulation. These documents may also be contained in the information document referred to in Article 5, paragraph 1, of the CONSOB Regulation;

(iv) if the opinions of the control body referred to in point (iii) above are negative, the Shareholders' Meeting must resolve according to the whitewash mechanism;

(v) if the opinions are positive, information on the results of the vote, with particular regard to the total number of votes cast by unrelated shareholders, must be made available to the public (in the manner set out in Part III, Title II, Chapter I, of the Issuers' Regulation) on the day after the Shareholders' Meeting.

12 REPORTING OBLIGATIONS IN THE CASE OF SIGNIFICANT INTERESTS

12.1 Where a member of the Board of Directors or of the Board of Statutory Auditors of the Company or of a Subsidiary has interests classified as significant ("Significant Interests") as indicated in Article 11.1 (vii) above, the following procedure shall apply:

(i) Before discussing any single item on the agenda of the board meeting, each director and statutory auditor must disclose any interests held by them or on behalf of third parties in relation to the matter or issue to be discussed, specifying its nature, terms, origin and scope.
(ii) If the Chairman or Managing Director has such an interest and is responsible for the Transaction, he/she shall refrain in any event from concluding the Transaction and shall discuss the matter with the Board of Directors;

(iii) For board resolutions, the Directors concerned generally do not participate in the discussion and deliberation of material issues and leave the meeting. However, the Board of Directors’ resolution must provide justification that the transaction is fair and reasonable for the Company.

13 FRAMEWORK RESOLUTIONS

13.1 For the purposes of this Procedure framework resolutions are allowed so that the Company can carry out a series of similar transactions with certain Related Parties to be identified by the Board of Directors.

13.2 Framework resolutions shall have effect for a period not exceeding one year and shall indicate, with sufficient accuracy, the transactions subject to such resolutions, showing the foreseeable maximum amount (“Maximum Amount”) of the transactions to be carried out during the reference period and the reasons for the conditions laid down in relation to these transactions.

13.3 Framework resolutions are subject to the provisions of Articles 6 and 7 above depending on the foreseeable Maximum Amount of the transactions covered by the specific framework resolution calculated in the aggregate.

13.4 The Managing Director reports to the Board of Directors and to the Board of Statutory Auditors at least once a quarter on the execution of each framework resolution.

13.5 On approval of the framework resolution, the Company will publish an information document, in accordance with the provisions of the RPT Regulation, if the foreseeable Maximum Amount to which it relates exceeds the threshold for Material Transactions.

14 FINAL PROVISIONS

14.1 For anything not expressly governed by this Procedure, the RPT Regulation shall apply.

14.2 Amendments and additions to this RPT Procedure are approved by the Reno De Medici Board of Directors with the favourable opinion of the RPT Committee. Changes are published without delay on the Company’s website and are mentioned in financial reports and in the first Corporate Governance report following their publication.

14.3 The Board of Statutory Auditors oversees the Procedure’s conformity with the applicable regulations and compliance thereof and reports to the Shareholders’ Meeting pursuant to Article 2429 of the Italian Civil Code.

14.4 The Company shall promptly inform the competent bodies of Subsidiaries of the adoption and/or amendments made to this Procedure, so that they may adopt adequate procedures to enable compliance with the provisions relating thereto at their next meeting or without delay.
DECLARATION OF RELATED PARTIES

I, the undersigned ____________________________________________________________, domiciled in ___________________________________________, tax code ____________________________________________ ,
in my quality as:

□ Member of the Board of Directors
□ Member of the Board of Statutory Auditors
□ Member of key management personnel
□ Member of the Board of Directors of Cascades Inc., the controlling company
□ Member of the Board of Statutory Auditors of Cascades Inc., the controlling company
□ Member of key management personnel of Cascades Inc., the controlling company

of Reno De Medici S.p.A., having registered office at viale Isonzo no. 25, 20135 Milan, Italy, VAT no. 00883670150 (hereinafter referred to as the “Company”),

- provided that, in accordance with the Italian Regulation on Related Parties adopted by Consob (Commissione Nazionale per le Società e la Borsa) with resolution no. 17221 of March 12th, 2010, later amended by resolutions no. 17389 of 23rd June 2010, no. 19925 of 22nd March 2017 and no. 19974 of 27th April 2017 (hereinafter referred to as the “Regulation”), the following, among the others referred to in Annex 1 of the Regulation, are considered as “Related Parties”:
  - the members of the Board of Directors, the members of the Board of Statutory Auditors and the key management personnel of the Company;
  - the members of the Board of Directors, the members of the Board of Statutory Auditors and the key management personnel of the company controlling the Company;
  - the close relatives of the above-mentioned persons;
  - the entities in which the above-mentioned persons exercise control, joint control or significant influence or own, directly or indirectly, a significant portion, but not less than 20% of voting rights;

- provided that I have taken note and I am perfectly aware of the meaning of the following definitions contained in Annex 1 of the Regulation:
  - “Control”: the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. It is assumed that control exists when a person owns, directly or indirectly through subsidiaries, more than half of the voting rights of an entity unless, in exceptional cases, it can be clearly demonstrated that such ownership does not constitute control. Control also exists when a person owns half or less of the voting rights exercisable at shareholders' meeting if they have:
PROCEDURE GOVERNING RELATED PARTY TRANSACTIONS

(a) control of more than half of the voting rights by virtue of agreement with other investors;
(b) the power to govern the financial and operating policies of the entity under a statute or agreement;
(c) the power to appoint or remove the majority of the members of the board of directors or equivalent body of corporate governance, and control of the entity held by that board or body;
(d) the power to cast the majority of the voting rights at meetings of the board of directors or equivalent body for corporate governance, and control of the entity held by that board or body.

- "Joint control": the contractually agreed sharing of control over any economic activity;
- "Significant influence": the power to participate in the determination of financial and operating policies of an entity without having control. Significant influence may be gained through share ownership, statute provisions or agreements. If a person owns, directly or indirectly (e.g. through subsidiaries), 20% or more of the voting power of the investee, it is presumed to have significant influence, unless it can be clearly demonstrated otherwise. Conversely, if the person owns, directly or indirectly (e.g. through subsidiaries), less than 20% of the voting power of the investee, it is presumed that the investor has significant influence, unless such influence can not be clearly demonstrated. The presence of a person in possession of absolute or relative majority of voting rights does not necessarily preclude another person from having significant influence.

The existence of significant influence is usually evidenced in one or more of the following circumstances:

(a) representation on the board of directors or equivalent governing body of the investee;
(b) participation in decision making, including participation in decisions about the dividend or other distribution of profits;
(c) the presence of significant transactions between the investor and the investee;
(d) exchange of managerial personnel;
(e) the provision of essential technical information.

- "Close relatives of an individual" are those family members who may be expected to influence or be influenced by, that individual in their dealings with the company.

They may include:

(a) the spouse not legally separated and unmarried;
(b) the children and dependants of the subject, not legally separated spouse or partner.

HEREBY DECLARE

a) not to exercise control, joint control or significant influence on any company or own, directly or indirectly, a significant portion in any case not less than 20% of voting rights.

or
PROCEDURE GOVERNING RELATED PARTY TRANSACTIONS

a) to exercise control, joint control or significant influence or own, directly or indirectly, a significant portion, but not less than 20% of voting rights, of the following entities:
**PROCEDURE GOVERNING RELATED PARTY TRANSACTIONS**

<table>
<thead>
<tr>
<th>Entity</th>
<th>Registered Office</th>
<th>Tax code and Vat Number</th>
<th>Nature of the relationship of the individual with the entity(*)</th>
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<tbody>
<tr>
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<td>1. Control or Joint Control</td>
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<td>2. Significant Influence - Participation equal or higher 20%</td>
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<td>3. Significant Influence - representation in BoD or equivalent Entity of the participated or partecipation in the process decision making</td>
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<td>4. Other</td>
</tr>
</tbody>
</table>

(*) Please select the applicable hypothesis from those relating to the nature of the control, indicating in box related details also with reference to the definitions

b) to have no close relatives within the meaning of the Regulations

or

b) that, according to the Regulation, the following are to be considered my Close Relatives:

<table>
<thead>
<tr>
<th>Name and Surname</th>
<th>Residential address</th>
<th>Tax code or Vat Number</th>
<th>Degree of Kinship</th>
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</tbody>
</table>

18
c) that the above-mentioned Close Relatives exercise control, joint control or significant influence or own, directly or indirectly, a significant portion, but not less than 20% of voting rights, of the following entities:

<table>
<thead>
<tr>
<th>Entity</th>
<th>Registered Office</th>
<th>Tax code and Vat Number</th>
<th>Nature of the relationship of the individual with the entity(*)</th>
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</tr>
<tr>
<td></td>
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<td></td>
<td>4. Other</td>
</tr>
</tbody>
</table>

I hereby undertake, under my responsability, to promptly communicate to the Legal Department of Reno De Medici S.p.A. any future variation or integration of the information herein contained.

Furthermore, I hereby declare to have been informed that the personal data collected with this declaration in the relative attachments they will be treated by the Company exclusively for the purposes related to the provisions of the Regulation, in compliance with the provisions relating to the processing of such data contained in the Regulation (EU) 2016/679 and other applicable legal provisions, including national ones, as well as information privacy attached here.

Yours faithfully,
PROCEDURE GOVERNING RELATED PARTY TRANSACTIONS

Place: ______________________
Date: ______________________

Signature: ____________________
PROCEDURE GOVERNING RELATED PARTY TRANSACTIONS

INFORMATION ON THE PROCESSING OF PERSONAL DATA

Dear Sir/Madam,

pursuant to the applicable legislation on the protection of personal data (the "Privacy Legislation"), including Regulation (EU) 2016/679 (the "GDPR") and Italian Legislative Decree 196/2003 as amended by Italian Legislative Decree 101/2018, Reno De Medici S.p.A., as data controller (hereinafter the "Company" or the "Data Controller"), hereby informs you that it will process the personal data that you provide to the Company (the "Personal Data") for the purpose of complying with the Italian Regulation on Related Parties adopted by Consob with resolution no. 17221 of March 12th, 2010, later amended by resolutions no. 17389 of 23rd June 2010, no. 19925 of 22nd March 2017 and no. 19974 of 27th April 2017 (the "Regulation") in the manner and for the purposes described herein.

1. PERSONAL DATA CONTROLLER AND DATA PROCESSOR

The Data Controller is Reno de Medici S.p.A., with registered office at Viale Isonzo 25, 20135, Milan, VAT Number 00883670150.

The Company has appointed a Data Protection Officer (in brief “DPO”), domiciled for the purpose at the Company’s registered office, who can be contacted at the following addresses:

- postal address: Reno de Medici S.p.A.- Data Protection Officer: Viale Isonzo 25, 20135 – Milan (MI);
- DPO e-mail: dataprotectionofficer@rdmgroup.com.

2. DATA

The Data Controller shall process your Personal Data, communicated by you or in any case acquired by the Data Controller.

The processing will have as object single operations, or a complex of operations, of treatment (such as mere example: collection, registration, organization, conservation, processing, communication, modification, selection, use), the data provided by the interested party and personal data relating to their straits family members, of the following personal data provided under the Declaration (the "Personal Data" or even "Data"):

- identification data of the interested party and / or close family members, including, inter alia, name, surname and tax code;
- data relating to shareholdings held by the interested party and / or close family members.

3. PURPOSES, LEGAL BASES OF PROCESSING AND RETENTION TIMES

The Company will process your Personal Data, without the need for your prior consent to the processing, for the following purposes and in compliance with the following legal bases:

3.1. PURPOSES RELATED TO COMPLIANCE WITH LEGAL OBLIGATIONS

Personal Data is processed for the following purposes:

a) for and within the scope of the purposes for which the Declaration is made and, in particular, those provided for the Procedure for Transactions with Related Parties of the Data Controller (including, for example, inclusion and the update of the Related Parties List and the keeping of the Transactions with Parties Register);

b) fulfill the obligations provided for by the law, by a regulation, by the community legislation or by a Authority order, and in particular the CONSOB regulation containing provisions on the subject of transactions with related parties adopted with resolution no. 17221 of 12 March 2010 and subsequent amendments;
The processing of data for the purposes of sub a) and b) does not require the consent of the interested party as it is necessary to fulfill legal obligations or for the execution of a relationship of which the Interested Party is a party, pursuant to art. 6, paragraph 1, lett. b) and c) of the GDPR.

The retention period of your Personal Data is differentiated in accordance with the relevant legislation (for example, the mandatory retention period for records and correspondence is 10 years, without prejudice to the need for preservation for other purposes as listed in this information note).

3.2. PURPOSES RELATED TO JUDICIAL PROTECTION OF THE DATA CONTROLLER

Personal Data is processed also for:

   c) exercise the rights of the Data Controller, for example the right to exercise a right in court.

These are purposes related to the protection of the Company's rights and the management of any complaints and/or disputes of any nature and at any level and in any instance, whether judicial or extrajudicial.

The legal bases of the processing are, depending on the type of processing and the dispute, the legal obligations and the legitimate interest in ascertaining, exercising or defending a right of the Data Controller within judicial proceedings; therefore, again here, in accordance with art. 6, paragraph 1, lett. f) of the GDPR.

The processing of data for the purpose of sub c) does not require the consent of the interested party as it is necessary to pursue the legitimate interests of the Data Controller, pursuant to

The period of retention of your Personal Data is differentiated in accordance with the applicable legislation, without prejudice to the need for retention for other purposes as listed in this information note.

4. HOW WE PROCESS YOUR PERSONAL DATA

The processing of your Personal Data is carried out manually and/or using IT and telematic means for the purpose indicated in Paragraph 3 above and, in any case, in a manner that guarantees their security and confidentiality.

We also inform you that your Personal Data:

- shall be processed in accordance with the principles of legality, propriety and transparency;
- will be collected for the legitimate purposes established under Paragraph 3 above;
- will be adequate, relevant and limited to what is necessary in relation to the purposes for which they are processed;
- accurate and, if necessary, up-to-date;
- shall be retained in a form that permits the identification of the data subject for a period of time not exceeding the achievement of the objectives, as specified in greater detail in Paragraph 3 above.

5. NATURE OF PERSONAL DATA PROVISION

The processing of your Personal Data is a legal obligation.

Any refusal by you to provide such Personal Data may result in the Company not being able to fulfil statutory obligations or to fulfil requests made by you.
6. PERSONAL DATA COMMUNICATION

Your Personal Data will be processed by employees of the Company specifically designated as authorised persons to process your personal data when necessary for the pursuit of the purposes set out in Paragraph 2 of this information note.

Your Personal Data may be disclosed to additional recipients, either as autonomous data controllers or, where necessary, appropriately appointed data processors, including but not limited to:

a. companies or other entities responsible for managing and maintaining the Company’s information systems;

b. Institutions and/or Public Authorities (Courts, the Consob Authority, etc.) to fulfil specific legal/regulatory obligations.

The full list of recipients of your Personal Data is kept at the Data Controller’s registered office and can be consulted on request using the contact details indicated in Paragraph 8 below.

7. TRANSFER OF PERSONAL DATA OUTSIDE THE EU

Your Personal Data will not be subject to transfer to third countries outside the EU and will not be subject to transfer to recipients other than those referred to in this note.

Any transfer of your Personal Data to countries outside the EU may take place only under the terms and with the guarantees stated by the Privacy Legislation and, in particular, pursuant to Articles 44-49 of the GDPR.

8. YOUR RIGHTS

The Company recalls that you are granted the rights set out in Articles 15 – 21 of the GDPR. In particular, you have the right to access your Personal Data, to request that they be rectified or updated if they are incomplete, incorrect or collected in violation of Privacy Legislation or their deletion, or to object to or restrict their processing. You are also entitled to receive (or to transmit directly to another data controller) the Personal Data concerning you in a structured, commonly used and machine-readable format.

You are also entitled to lodge a complaint with the Data Protection Authority if you believe that the processing of your personal data violates the Privacy Legislation.

You may exercise your rights at any time by simple request to transmit:

- by email, to the address: RDM-GDPR@gruppoRDM.com;
- DPO email: dataprotectionofficer@rdmgroup.com;
- by surface mail, to the registered office of Reno de Medici S.p.A. at: Viale Isonzo 25, 20135 – Milan (MI).