



## RenoDeMedici

*Registered office at Viale Isonzo 25, Milan  
Share capital of €140,000,000.00 fully paid up*

*Milan Companies Register and Tax Identification Number 00883670150*

**DIRECTORS' REPORT ON THE ITEMS ON THE AGENDA OF THE  
ORDINARY SHAREHOLDERS' MEETING CONVENED FOR APRIL 29<sup>TH</sup>,  
2021, ON FIRST CALL, AND FOR APRIL 30<sup>TH</sup>, 2021, ON SECOND CALL**

*Prepared pursuant to Article 125-ter of Legislative Decree No. 58/1998 as amended*



**Board of Directors**

Eric Laflamme

Michele Bianchi

Giulio Antonello

Laura Guazzoni

Gloria Marino

Allan Hogg

Sara Rizzon

**Board of Statutory Auditors**

Giancarlo Russo Corvace

Giovanni Maria Conti

Tiziana Masolini

**Independent Auditors**

Deloitte & Touche S.p.A.



Dear Shareholders,

The Board of Directors of Reno De Medici S.p.A. (hereinafter the “**Company**”) notes that the agenda for the Ordinary Shareholders’ Meeting convened at Studio Zabban – Notari – Rampolla & Associati in Via Metastasio 5, Milan, for April 29<sup>th</sup>, 2021, at 10:00 am, on first call, and for April 30<sup>th</sup>, 2021, same time and place, on second call, by notice published in the Governance/Shareholders’ Meeting section of the Company’s website at [www.rdmgroup.com](http://www.rdmgroup.com) on March 19<sup>th</sup>, 2021 as well as, on the same date, as an excerpt in the daily newspaper “MF”, is the following:

- 1.** Financial Statements as of December 31<sup>st</sup>, 2020, the Board of Directors’ report on the management and reports of the Board of Statutory Auditors and of the Independent Auditors. Presentation of the Consolidated Financial Statements as of December 31<sup>st</sup>, 2020 and of the Non-Financial Statements as of December 31<sup>st</sup>, 2020 pursuant to Legislative Decree No. 254/2016.
  - 1.1** Resolutions relating to the approval of the Financial Statements as of December 31<sup>st</sup>, 2020.
  - 1.2** Resolutions concerning the allocation of the net profit for the year 2020.
- 2.** Board of Statutory Auditors.
  - 2.1** Appointment of the Board of Statutory Auditors for the three-year period 2021/2022/2023.
  - 2.2** Appointment of the Chairman of the Board of Statutory Auditors.
  - 2.3** Determination of the remuneration of the effective members.
- 3.** Remuneration Report; resolutions pursuant to Article 123-ter, paragraphs 3-bis and 6, of the Legislative Decree of February 24<sup>th</sup>, 1998 No. 58.

This report aims to illustrate the reasons for the proposals on the agenda of the Ordinary Shareholders’ Meeting, pursuant to Article 125-ter of Legislative Decree no. 58 of February 24<sup>th</sup>, 1998, as amended (hereinafter the “**TUF**”).

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**1. FINANCIAL STATEMENTS AS OF DECEMBER 31<sup>ST</sup>, 2020, THE BOARD OF DIRECTORS' REPORT ON THE MANAGEMENT AND REPORTS OF THE BOARD OF STATUTORY AUDITORS AND OF THE INDEPENDENT AUDITORS. PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31<sup>ST</sup>, 2020 AND OF THE NON-FINANCIAL STATEMENTS AS OF DECEMBER 31<sup>ST</sup>, 2020, PURSUANT TO LEGISLATIVE DECREE NO. 254/2016.**

**1.1 RESOLUTIONS RELATING TO THE APPROVAL OF THE FINANCIAL STATEMENTS AS OF DECEMBER 31<sup>ST</sup>, 2020.**

**1.2 RESOLUTIONS CONCERNING THE ALLOCATION OF THE NET PROFIT FOR THE YEAR 2020.**

Dear Shareholders,

The Financial Statements as of December 31<sup>st</sup>, 2020, which we submit for your approval, show a net profit of Euro 22,745,553.06.

For further information on the first item on the agenda of the Ordinary Shareholders' Meeting, please see the extensive content of the Directors' report on the management, which will be filed, together with the draft of the individual and consolidated Financial Statements as of December 31<sup>st</sup>, 2020, and made available to the public within the legal deadlines from the authorised storage mechanism "eMarketStorage" ([www.emarketstorage.com](http://www.emarketstorage.com)) and on the Company's website ([www.rdmgroup.com](http://www.rdmgroup.com)).

Therefore, the Board of Directors proposes that you adopt the following resolutions:

*"The Ordinary Shareholders' Meeting of Reno De Medici S.p.A.:*

- *having regard to the Board of Directors' Report on the management;*
- *having regard to the reports of the Board of Statutory Auditors and of the Independent Auditors, Deloitte & Touche S.p.A.;*
- *having regard to the proposal of the Board of Directors*

**RESOLVES**

- *to approve the Board of Directors' Report on the management and the Separate Financial Statements as of December 31<sup>st</sup>, 2020 of Reno De Medici S.p.A. in all their parts and results;*
- *to allocate the net profit for the year closed as of December 31<sup>st</sup>, 2020 of Euro 22,745,553.06 as follows:*
  - *Euro 1,137,277.65 to be allocated to the legal reserve pursuant to Article 2430 of the Italian Civil Code;*



- *Euro 0.0245 as the preferred dividend, in accordance with Article 22 of the Articles of Association, on each savings share outstanding on the dividend record date, as determined below;*
- *Euro 0.014 as a dividend in favor of each ordinary share outstanding on the dividend record date, as determined below [acknowledging that this is less than the maximum dividend of 3% of Euro 0.49 provided for in Article 22, paragraph 2, letter a) of the Articles of Association as a dividend payable on ordinary shares once the preferred dividend of savings shares has been satisfied];*
- *the residual profit - at net of the allocation to the legal reserve and the dividend distributions indicated above - to be allocated to the “Available reserve”;*
- *to establish that the dividend is paid on May 12<sup>th</sup>, 2021 for each eligible ordinary share and each eligible savings share, with the ex-dividend date as of May 10<sup>th</sup>, 2021 and the record date as of May 11<sup>th</sup>, 2021”*

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**2. BOARD OF STATUTORY AUDITORS.**

**2.1 APPOINTMENT OF THE BOARD OF STATUTORY AUDITORS FOR THE THREE-YEAR PERIOD 2021/2022/2023.**

**2.2 APPOINTMENT OF THE CHAIRMAN OF THE BOARD OF STATUTORY AUDITORS.**

**2.3 DETERMINATION OF THE REMUNERATION OF THE EFFECTIVE MEMBERS.**

Dear Shareholders,

With the approval of the 2020 Financial Statements, the mandate of the Board of Statutory Auditors currently in office ends, due to expiry of the term, as previously appointed by the Shareholders' Meeting of April 30<sup>th</sup>, 2018.

The Shareholders' Meeting is therefore invited to appoint the Board of Statutory Auditors, in accordance with the terms and provisions set forth in Article 19 of the Company's Articles of Association. In particular, pursuant to the aforementioned provisions of the Articles of Association, the Statutory Auditors must be appointed on the basis of the lists submitted by the Shareholders, in accordance with the procedures and the terms described below.

**A. COMPOSITION AND REQUIREMENTS OF THE BOARD OF STATUTORY AUDITORS**

Pursuant to Article 19 of the Company's Articles of Association, the Board of Statutory Auditors is composed by three effective Auditors and two alternate Auditors, who may be re-elected and must meet the requirements established by the current legislation, including regulatory provisions.

In this regard, with particular reference to the independence requirement, it should be noted that persons in the circumstances set out in Article 148, paragraph 3 of the TUF cannot be elected as Statutory Auditors. It should also be recalled that the Corporate Governance Code, adopted by the Corporate Governance Committee and published on January 31<sup>st</sup>, 2020 – to which the Company adheres – recommends that the Statutory Auditors meet the independence requirements provided for in Article 2, Recommendation 7, of the Code with reference to the members of the Board of Directors.

With regard to professionalism requirements, it should be noted that, pursuant to Article 1 of the Decree of the Ministry of Justice of March 30<sup>th</sup>, 2000 No. 162 (hereinafter the "**Decree**"), at least one effective Auditor and one alternate Auditor must be registered in the register of the statutory auditors, established pursuant to the law, and must have carried out the activity of statutory auditing of accounts for a period not less than three years.

The Statutory Auditors who do not meet the above requirements must have total professional experience of at least three years of the following:

- a) administration, control or management duties in a limited company with share capital of no less than Euro 2 million; or
- b) professional activities or university teaching in legal, economic, financial or technical and scientific subjects closely related to the company's business; or



- c) managerial roles in public bodies or public authorities operating in the credit, financial and insurance sectors, or in sectors closely related to the company's business.

It should also be noted that persons may not hold the position of Statutory Auditor who, for at least 18 months during the period from two financial years prior to the adoption of the relevant measures to the current financial year, have performed administrative, management or control functions in companies:

- (i) that are subject to bankruptcy, compulsory administrative liquidation or comparable proceedings;
- (ii) that are active in the banking, financial, securities and insurance sectors and subject to extraordinary administration procedures.

Finally, it should be recalled that the Statutory Auditors must also meet the integrity requirements identified pursuant to Article 2 of the Decree.

**B. MODALITIES AND TERMS FOR THE PRESENTATION OF THE LISTS FOR THE BOARD OF STATUTORY AUDITORS**

The appointment of the Statutory Auditors are made on the basis of the presentation of the lists provided by the Shareholders, which must be submitted by delivery, during office hours, to the registered office of the Company, at Viale Isonzo 25, 20135 – Milan (MI), Legal and Corporate Affairs Department, or to the certified email address [renodemedici@pec.rdmgroup.com](mailto:renodemedici@pec.rdmgroup.com) within the twenty-fifth day prior to the date of the Shareholders' Meeting on first call - namely within April 6<sup>th</sup>, 2021, the first day that is not a public holiday following the expiry of the said term, which would fall on April 4<sup>th</sup>, 2021 - and will be made available from the registered office and the "eMarketStorage" authorised storage mechanism at the address [www.emarketstorage.com](http://www.emarketstorage.com), and in the Governance/Shareholders' Meeting section of the Company's website at [www.rdmgroup.com](http://www.rdmgroup.com), at least 21 days before the date of the Shareholders' Meeting on first call, namely within April 8<sup>th</sup>, 2021.

If, on the expiry date of the aforementioned term for the presentation of the lists, only one list has been submitted or only lists of related shareholders have been submitted, in accordance with the provisions of the applicable regulations, the lists may be submitted within the additional term provided for by the applicable regulations. In this case, the thresholds provided in the Company's Articles of Association for the submission of the lists are reduced in half.

In accordance with Consob Executive Decision No. 44 of January 29<sup>th</sup>, 2021 and Article 19 of the Company's Articles of Association, Shareholders that, alone or with other shareholders, jointly own shares representing at least 2.5% of the voting capital at the Shareholders' Meeting, are entitled to submit the lists for the appointment of the members of the Board of Statutory Auditors.



It should be recalled that no Shareholder, Shareholder participating in a relevant shareholders' agreement pursuant to Article 122 of the TUF, the parent company, subsidiaries or companies subject to joint control pursuant to Article 93 of the TUF, including through an intermediary or trust company, may submit or contribute to the submission of more than one list or vote for different lists, and each candidate may be included on one single list, under penalty of ineligibility. Inclusions and votes expressed in breach of this prohibition will not be allocated to any list.

Shareholders wishing to submit the lists for the appointment of the Board of Statutory Auditors are invited to observe the recommendations issued by Consob in Communication No. DEM/9017893 of February 26<sup>th</sup>, 2009, which invite shareholders submitting a minority list - without prejudice to their obligation to file the declaration referred to in Article 144-*sexies*, paragraph 4, letter b) of the Consob Regulation adopted by Resolution 11971/1999 (hereinafter the “**Regulation for Issuers**”) - to provide in the above declaration (i) information on the existence or otherwise of any relations, if significant, with shareholders that hold, including jointly, a controlling or relative majority shareholding, where the latter can be identified on the basis of the notifications of significant shareholdings referred to in Article 120 of the TUF or the publication of shareholders' agreements pursuant to Article 122 of the TUF, as well as (ii) the reasons why such relations are not regarded as determining the existence of relationships of significant influence pursuant to Article 148, paragraph 2, of the TUF and Article 144-*quinquies* of the Regulation for Issuers.

#### **C. CONTENTS OF THE LISTS**

Each list shall contain the names – numbered in sequence – of one or more candidates and indicates whether each individual candidate is being put forward as an effective Auditor or as an alternate Auditor. The number of candidates on the lists shall not exceed the number of members to be elected.

The appointment of the Statutory Auditors must also comply with the *pro tempore* rules on gender balance. Therefore, pursuant to Article 148, paragraph 1-*bis*, of the TUF, lists containing three or more candidates must ensure in the composition of the list that at least two-fifths of the candidates belong to the least represented gender. If the application of the gender division criterion does not result in a whole number of members – pursuant to Article 144-*undecies*, paragraph 3, of the Regulation for Issuers – this number shall be rounded down to the lower unit.

It should be noted that, together with each list, the following must also be filed at the Company's registered office within the same deadline:

- (a) summary information on the submitting shareholders (with the overall percentage shareholding held);
- (b) a declaration by shareholders – other than those that hold, individually or jointly, a controlling or majority interest – certifying the absence of any connections, as provided for by the applicable regulations, with the latter;





- (c) a comprehensive report on the professional and personal characteristics of each candidate;
- (d) the declarations with which individual candidates accept their candidacies and certify, under their own responsibility, that there are no grounds for ineligibility and incompatibility, and that they meet the requirements established by the *pro tempore* applicable legislation for the office of Statutory Auditor; and
- (e) a list of any administration and control offices held in other companies.

**D. MODALITY FOR THE APPOINTMENT THE BOARD OF STATUTORY AUDITORS**

In application of the provisions of the aforementioned Article 19 of the Company's Articles of Association, the Statutory Auditors will be appointed in accordance with the procedures set out below, to ensure that the minority shareholders – including pursuant to Article 148, paragraph 2, of the TUF – appoint one effective Auditor and one alternate Auditor:

- (i) the first two candidates from the list that obtains the highest number of votes and the first candidate from the list that obtains the second highest number of votes, with no connection, including indirectly, with the shareholders that submitted or voted for the list that obtained the highest number of votes, in accordance with the applicable legislation on gender balance, will be elected effective Auditors;
- (ii) the first alternate candidate on the list that obtains the highest number of votes and the first alternate candidate on the list that obtains the second highest number of votes pursuant to the above paragraph, in accordance with the applicable legislation on gender balance, will be elected alternate Auditors.

In the event of a tie between two or more lists, the most senior candidates by age will be elected until the posts to be assigned are filled in such a way as to ensure that the composition of the Board of Statutory Auditors complies with the applicable legislation on gender balance.

If, according to the procedures described above, the composition of the Board of Statutory Auditors does not comply with the applicable *pro tempore* rules on gender balance in terms of effective members, the necessary substitutions will be made from among the candidates for the post of effective Auditor on the list that obtained the highest number of votes, according to the sequential order in which the candidates are listed.

If a single list or no list is proposed, the candidates on this list or those voted for by the Shareholders' Meeting shall be elected as effective Auditors and alternate Auditors, provided that they obtain the relative majority of the votes expressed at the Shareholders' Meeting, subject to compliance with the current *pro tempore* rules on gender balance.

**E. MODALITY FOR THE APPOINTMENT OF THE CHAIRMAN OF THE BOARD OF STATUTORY AUDITORS**

The candidate from the list obtaining the second highest number of votes shall be appointed as the Chairman of the Board of Statutory Auditors.



If a single list or no list is submitted, the Chairman of the Board of Statutory Auditors will be appointed by the Shareholders' Meeting from among the candidates on the list or, respectively, from among those voted for by the Shareholders' Meeting, provided that they obtain the relative majority of the votes expressed and subject to compliance with the current *pro tempore* rules on gender balance.

**F. REMUNERATION OF THE MEMBERS OF THE BOARD OF STATUTORY AUDITORS**

Finally, the Shareholders' Meeting is also called to resolve on the determination of the annual remuneration of the members of the Board of Statutory Auditors for the entire duration of their office. In this regard, it should be recalled that, with regard to the remuneration of the Board of Statutory Auditors currently in office, the Shareholders' Meeting of April 30<sup>th</sup>, 2018 set the gross annual remuneration of the Chairman of the Board of Statutory Auditors at Euro 70,000.00 and the gross annual remuneration of each effective Auditor at Euro 45,000.00.

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Now, therefore, in view of the foregoing, the Board of Directors, acknowledging the provisions of law and the Articles of Association on the procedures for appointing and remunerating the members of the Board of Statutory Auditors, invites the Shareholders' Meeting to:

- appoint the new Board of Statutory Auditors, on the basis of the lists presented and published in the manner and within the terms established in Article 19 of the Company's Articles of Association and in accordance with the applicable legislation;
- appoint the Chairman of the Board of Statutory Auditors;
- determine the annual remuneration of the Statutory Auditors.

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**3. REMUNERATION REPORT; RESOLUTIONS PURSUANT TO ARTICLE 123-TER, PARAGRAPH 3-BIS AND PARAGRAPH 6 OF LEGISLATIVE DECREE NO. 58 OF FEBRUARY 24<sup>TH</sup>, 1998.**

Dear Shareholders,

We have called this Shareholders' Meeting to resolve upon the approval of the first section, as well as in favor or against the second section, of the relation on the remuneration policy and on the remunerations paid to the members of the Board of Directors, general managers and Executives with Strategic Responsibilities, drafted pursuant to Article 123-ter of the TUF (hereinafter the "**Remuneration Report**").

It should be recalled that Legislative Decree No. 259 of December 30<sup>th</sup>, 2010, transposing European Commission Recommendations 2004/913/EC and 2009/385/EC on the remuneration of the directors of listed companies, introduced Article 123-ter in TUF, which provides for an obligation for listed companies to make their remuneration reports available to the public, explaining, *inter alia*:

- (i) in the first section, the Company's policy with regard to the remuneration of members of its Board of Directors, general managers and Executives with Strategic Responsibilities;
- (ii) in the second section, a summary of the remunerations for the above persons paid in the reference year.

Article 123-ter, paragraphs 3-bis and 3-ter, of the TUF, as recently amended, also provides that, with the frequency required by the duration of the defined policy and, in any case, at least every three years or upon changes to the policy, the shareholders' meeting shall adopt a binding resolution relating to the approval of only the first section of the remuneration report.

The same Article 123-ter of the TUF, in its sixth paragraph, as recently amended, also provides that the shareholders' meeting must express an opinion, with a non-binding resolution, for or against the second section of the remuneration report.

For further information, please see the Remuneration Report of the Company, which will be made available to the public within April 8<sup>th</sup>, 2021 from the Company's registered office and the "eMarketStorage" authorised storage mechanism ([www.emarketstorage.com](http://www.emarketstorage.com)) and on the Company's website at [www.rdmgroup.com](http://www.rdmgroup.com).

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Now, therefore, in view of the foregoing, the Board of Directors proposes that you adopt the following resolution:

*"The Ordinary Shareholders' Meeting of Reno De Medici S.p.A.*



**RESOLVES**

- *to approve, pursuant to Article 123-ter, paragraph 3-bis, of Legislative Decree No. 58/98, the contents of the first section of the relation on the remuneration policy and the remunerations paid to the members of the Board of Directors, general managers and Executives with Strategic Responsibilities and, without prejudice to the provisions of Article 2402 of the Italian Civil Code, the members of the Board of Statutory Auditors, and the procedures used to adopt and implement this policy, approved by the Board of Directors at the Board's meeting of March 19<sup>th</sup>, 2021;*
- *in favor of the second section of the relation on the remuneration policy and on the remunerations paid, related to the remunerations paid in the financial year 2020, pursuant to Article 123-ter, paragraph 6, of Legislative Decree No. 58/98, as recently amended”.*

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