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INTRODUCTION

These regulations (hereinafter the “Regulations”) govern the role, organisation and procedures for the functioning of the Board of Directors of Reno de Medici S.p.A. (hereinafter, the “Company” or “Reno”), including procedures for recording meeting minutes and for managing information flows to Directors in compliance with the law, the regulations and the articles of association (hereinafter, the “Articles of Association”) and in compliance with the principles and criteria established by the Code of Corporate Governance published by the Corporate Governance Committee, established at Borsa Italiana S.p.A. on 31 January 2020 (hereinafter, the “Code of Corporate Governance”) to which the Company adheres.

Unless otherwise specified, the provisions concerning the functioning of the Board of Directors shall also apply, where compatible, to the Executive Committee, if appointed, and to the internal Committees established within the Board of Directors.

ART. 1

DEFINITIONS

In addition to any other definition contained in these Regulations, the terms and expressions listed below will have the following meanings:

**Director(s):** refers to the members of the Board of Directors of the Company.

**Chief Executive Officer:** refers to the Chief Executive Officer of the Company.

**Independent Director(s):** refers to members of the Board of Directors who meet the independence requirements set forth in Art. 4 below.

**Shareholders’ Meeting:** refers to the general meeting of shareholders of the Company.

**Significant Shareholder:** refers to a person who directly or indirectly (through subsidiaries, trustees or intermediaries) controls the Company or is able to exercise a significant influence over it, or who directly or indirectly participates in a shareholders’ agreement through which one or more persons exercise control or significant influence over the Company.

**Board of Statutory Auditors:** refers to the Board of Statutory Auditors of the Company.

**Committees:** refers to the committees established by the Board of Directors of the Company pursuant to Art. 13 below.

**Board:** refers to the Board of Directors of the Company.
**Lead Independent Director**: refers to the lead independent director pursuant to Art. 5 below.

**Group**: refers to the Company and any companies which are or may become direct or indirect subsidiaries pursuant to Art. 2359, first paragraph, of the Italian Civil Code.

**Chairman**: refers to the Chairman of the Company’s Board of Directors.

**Issuers Regulation**: refers to the Regulation adopted by Consob Resolution No. 11971/1999.


**Secretary**: refers to the Secretary of the Company’s Board of Directors.

**Large Companies**: refers to the companies listed in Book V, Title V, Chapters V, VI and VII of the Italian Civil Code, other than issuers and public interest companies, that, individually or collectively at group level, if they prepare consolidated financial statements: (i) employ on average at least 250 employees during the year; or (ii) generate revenues from sales and services in excess of €50 million and have balance sheet assets in excess of €43 million (see letter f).

**Articles of Association**: refers to the articles of association of Reno currently in force.

**TUF**: refers to Legislative Decree No. 58 of 24 February 1998.

**ART. 2**

**COMPOSITION OF THE BOARD OF DIRECTORS**

**2.1** The Company is managed by a Board composed, pursuant to Article 12 of the Articles of Association, of no fewer than 5 (five) and no more than 15 (fifteen) members.

**2.2** The Directors hold office for up to three financial years and cease to hold office on the date of the Shareholders’ Meeting called to approve the financial statements for the last financial year of their term of office. Directors may be re-elected at the end of their term of office.

**2.3** The Shareholders’ Meeting periodically determines the term and number of Board members within the said limits, before electing the Board.
ART. 3

ROLE OF THE BOARD OF DIRECTORS

3.1 The Board is vested with the broadest powers for the ordinary and extraordinary management of the Company. It may therefore carry out all acts, including disposals, that it deems necessary to achieve the company object, excluding only those reserved for the Shareholders’ Meeting.

3.2 Without prejudice to the powers attributed to it pursuant to Article 15 of the Articles of Association and matters that cannot be derogated by law and the Articles of Association, the Board also carries out the activities recommended by the Code of Corporate Governance and, in particular:

a) it defines the strategies of the Company and of the Group that it heads and identifies any investment opportunities, in accordance with the principle of pursuing sustainable success, and monitors their implementation;

b) it examines and approves the Company’s business plan, including on the basis of an analysis of subjects relevant to long-term value generation carried out with the possible support of the relevant internal Board Committee;

c) it periodically monitors the implementation of the Company’s business plan and assesses its general operational performance, periodically comparing the results achieved with those planned;

d) it defines the nature and level of risk that is consistent with the Company’s strategic objectives, including in its assessment any aspect that may be relevant for the sustainable success of the Company;

e) it defines the Company’s corporate governance system and the structure of the Group that it heads, and assesses the adequacy of the organisational, administrative and accounting structure of the Company and its strategically important subsidiaries, with particular reference to the internal control and risk management system;

f) it passes resolutions concerning the transactions of the Company and its subsidiaries that are significant for the Company in strategic, economic, capital or financial terms; to this end, it establishes general criteria for identifying material transactions;

g) in order to ensure the proper management of company information, it adopts and updates, on the recommendation of the Chairman in agreement with the Chief Executive Officer, a procedure for the internal management
and external communication of documents and information concerning the Company or its subsidiaries, particularly inside information;

h) it promotes, in the most appropriate forms, dialogue with shareholders and other stakeholders relevant to the Company, including through the adoption of a specific policy;

i) it draws up, following consultation with the relevant internal Board Committee, the remuneration policy to be submitted to the Shareholders’ Meeting, Directors, members of the supervisory body and top management;

l) it ensures that the remuneration paid and accrued is consistent with the principles and criteria defined in the policy approved by the Shareholders’ Meeting and monitors its implementation;

m) it performs, with the support of the relevant internal Board Committee, the additional duties referred to in Art. 6, Recommendation 33, of the Code of Corporate Governance.

ART. 4

INDEPENDENT DIRECTORS

4.1 The Board of Directors includes at least two Independent Directors other than the Chairman.

4.2 Without prejudice to the obligation of the individual Directors to perform their duties with the diligence required according to the nature of their mandate and their specific responsibilities, the Board periodically assesses - on the basis of the information provided by the Directors or available to the Company and the principles and recommendations set out in Art. 2 of the Code of Corporate Governance - the independence of its members to determine whether circumstances exist that affect or might seem likely to affect the Directors’ independence.

If the available information is not considered sufficient to assess situations of potential non-independence, the Board asks the individual Director in question for further information on the matter.

This assessment is carried out by the Board after the appointment and thereafter on an annual basis, as well as when circumstances arise that are relevant to independence, which must be promptly reported by each Independent Director.
For the purposes of this assessment, the Board defines the content and methods by which the Directors provide the above information, as well as the application criteria relating to the Company set out in paragraph 4.3 below.

4.3 The Board assesses the independence of its non-executive members in terms of substance and form, bearing in mind that the following circumstances, which are to be regarded as merely indicative, compromise or appear to compromise the independence of a Director:

a) if the Director is a Significant Shareholder of the Company;

b) if the Director is or has been an executive director or employee in the last three financial years:
   • of the Company, of a strategically important company controlled by it or of a company under joint control;
   • of a Significant Shareholder of the Company;

c) if the Director, directly or indirectly (e.g. through subsidiaries or companies of which he or she is an executive director, or as a partner of a professional firm or a consulting company), has or has had in the last three financial years:
   • with the Company or its subsidiaries, or with the relevant executive directors or top management;
   • with a person who, also together with others through a shareholders’ agreement, controls the Company; or with the relevant executive directors or top management, if the parent company is a company or entity;
   a significant business, financial or professional relationship, as defined in paragraph 4.4 below;

d) he or she receives or has received in the last three financial years, from the Company, from one of its subsidiaries, or from the parent company, significant remuneration in addition to the fixed remuneration for their office and for participation in the committees recommended by the Code or provided for in the applicable legislation. For the definition of significant additional remuneration, see paragraph 4.5 below;

e) if he or she has been a Director of the Company for more than nine of the last twelve financial years, including non-consecutively;

f) if he or she holds the position of executive director in another company in which an executive director of the Company holds the position of director;
g) if he or she is a shareholder or director of a company or entity belonging to the network of the company responsible for the statutory audit of the Company;

h) if he or she is a close family member (meaning parents, children, not legally separated spouse and cohabitees) of a person who is in one of the situations referred to in the previous points.

4.4 The Board considers that a significant business, financial or professional relationship is a relationship whose overall value is higher: (i) than 20% of the turnover of the legal entity, organisation or professional firm over which the Director has control or of which the Director is a significant representative or partner, or (ii) than 20% of the annual income of the Director as a natural person or of the annual turnover generated directly by the Director in the context of the activity carried out with the legal entity, organisation or professional firm, over which the Director has control or of which the Director is a significant representative or partner.

4.5 The Board considers significant additional remuneration to mean remuneration for professional or consulting positions more than double the fixed remuneration received in the financial year in question for the performance of the office of Director, subject to a check to be carried out on a case-by-case basis based on actual circumstances.

Remuneration for participation in the Committees is not included in the calculation of significant additional remuneration.

Positions held in the parent company, if one exists, or in subsidiaries must be included in the professional positions relevant for the calculation of the significant additional remuneration. Therefore, the relevant remuneration received by the Director is considered additional remuneration and is assessed according to its significance.

4.6 If an Independent Director no longer meets the independence requirement, this will not result in the loss of the position if the requirements continue to be met by the minimum number of Directors that must meet this requirement according to the applicable legislation.

4.7 The outcome of the assessments made by the Board is disclosed to the market after the appointment and, subsequently, in the Report on Corporate Governance, along with the circumstances relevant to independence.
ART. 5

LEAD INDEPENDENT DIRECTOR

5.1 The Board, with the non-Independent Directors abstaining, appoints an Independent Director as the Lead Independent Director:
   a) if the Chairman is the Chief Executive Officer or holds significant management powers;
   b) if the position of Chairman is held by the person who controls the Company, including jointly.

5.2 The Lead Independent Director:
   - represents a reference and coordination point for the requests and contributions of non-executive Directors and, in particular, Independent Directors;
   - coordinates meetings of the Independent Directors only.

ART. 6

CHAIRMAN OF THE BOARD OF DIRECTORS

6.1 The Board elects a Chairman from among its members and may elect one or two vice-chairmen. The Chairman of the Board liaises between the executive Directors and the non-executive Directors and ensures that Board conducts its business effectively.

6.2 As well as the powers provided for by law and the Articles of Association, and without prejudice to any mandates granted to him or her by Board resolution, the Chairman also carries out the activities recommended by the Code of Corporate Governance and, in particular, with the help of the Secretary, ensures:
   a) that the pre-board information and the additional information provided during the meetings is sufficient to enable the Directors to perform their role in an informed manner;
   b) that the activities of the Committees are coordinated with the activities of the Board;
   c) in agreement with the Chief Executive Officer, that the managers of the Company and those of the Group companies headed by it and the heads of the competent company functions, according to the subject, take part in Board meetings on the matters of their competence, including at the request
of individual Directors, to provide ad hoc explanations of the items on the
day's agenda;

d) potentially with the support of the Lead Independent Director – where
appointed – that all members of the Board of Directors and the Board of
Statutory Auditors can participate, after appointment and during the
mandate, in initiatives designed to provide them with adequate knowledge
of the business sectors in which the Company operates, the corporate
dynamics and their evolution, including with a view to the sustainable
success of the Company, as well as the principles of correct risk
management and the relevant regulatory and self-regulatory framework
(board induction);

e) the adequacy and transparency of the Board’s self-assessment process
(board review), with the support of the relevant internal Board Committee.

**ART. 7**

**SECRETARY OF THE BOARD OF DIRECTORS**

7.1 At the recommendation of the Chairman, the Board appoints a Secretary,
including from outside the Company, who meets the appropriate requirements of
professionalism, experience and independent judgement. In particular, the
Secretary must have appropriate experience at the company secretariat of listed
companies or be an expert in the field of law concerning listed companies and
regulated markets.

The Secretary reports hierarchically and functionally to the Board and, on its
behalf, to the Chairman.

7.2 In addition to the provisions of Art. 6 above, the Secretary supports the
Chairman's activities, in particular in preparing Board and Shareholders’
Meetings, preparing the relevant resolutions, ensuring the adequacy,
completeness and clarity of information flows to the Board, communicating with
the Directors and organising the board induction and board review.

7.3 The Secretary provides assistance and advice to the Board on all aspects relevant
to the proper functioning of the corporate governance system. He or she also
coordinates the secretariat of the Committees in order to rationalise and
streamline information flows between them and the Board and to manage the
relevant agendas effectively and consistently.
ART. 8

MEETINGS OF THE BOARD OF DIRECTORS

8.1 The Board is also convened outside the registered office by the Chairman or, in the event of his or her absence or impediment, by a vice-chairman or by the most senior director in terms of age, whenever he or she deems it appropriate or if requested in writing by at least 4 (four) Directors. The Board may also be convened, subject to notification of the Chairman, by at least one member of the Board of Statutory Auditors.

8.2 Meetings are convened by registered letter, telegram, fax or email, sent at least 3 (three) days before the meeting or, in urgent cases, at least one day before.

8.3 Meetings are chaired by the Chairman or by the person acting for him or her. Pursuant to Art. 14 of the Articles of Association, the presence of the majority of Directors in office is required for the meeting to be valid. Resolutions are adopted by an absolute majority of votes of those present. In the event of a tie, the person chairing the meeting has the casting vote.

8.4 Participants in Board meetings may take part remotely through the use of audiovisual connection systems. In this case:

a) the following must be ensured: (i) that all participants at each connection point are identified; (ii) that every participant can participate, verbally express their opinion and view, receive or transmit documentation, and (iii) the simultaneous examination and passing of resolutions;

b) the Board meeting is regarded as being held in the place where the Chairman and the Secretary are simultaneously located, without prejudice to the various provisions laid down for emergency situations, including in relation to the Covid-19 pandemic. When these provisions apply, the Chairman and the Secretary may be located in different places.

8.5 Decisions of the Board may be brought forward by the sending out, at the initiative of one or more Directors, of the proposed resolution, which must be sent to all Directors and members of the Board of Statutory Auditors by any means capable of ensuring proof of receipt. The proposal must clearly indicate everything necessary to provide adequate information on the subjects to be dealt with, as well as the exact text of the decision to be taken. Directors have 3 (three) days in which to make any observations or comments, unless the proposal indicates a different period, provided it is not less than 3 (three) and not more than 15 (fifteen) days. In such cases, at the next Board meeting - also held using...
audiovisual connection systems - the Board has to vote on the proposal already distributed in advance, unless further clarification or discussion are requested.

**ART. 9**

**PRE-BOARD INFORMATION**

9.1 The Directors receive an adequate flow of information coordinated by the Chairman with the support of the Secretary, in accordance with the proper exercise of the duties and responsibilities of the management body.

9.2 For the discussion of the items on the agenda of each Board meeting, the Chairman, with the support of the Secretary, provides the Directors and members of the Board of Statutory Auditors with supporting documentation, giving them the information they need to provide an informed opinion on the matters to be resolved. The supporting documentation is provided in a manner that ensures the necessary confidentiality in good time before the date of the Board meeting, usually by the third day prior to the date set for the meeting, except in cases of urgency, when the documentation is made available as soon as possible.

9.3 In any event, at meetings and on at least a quarterly basis, the Board of Directors and the Board of Statutory Auditors are informed, including by the delegated bodies and also with regard to subsidiaries, about the Company’s general performance and outlook and the most important economic, financial and capital transactions, particularly transactions in which the Directors have a personal interest or with third parties or that are influenced by any entity that manages and coordinates the Company.

The report to the Board of Statutory Auditors may also be made, for reasons of timeliness, directly or at meetings of the Executive Committee, where appointed.

9.4 The supporting documents distributed to the Directors and members of the Board of Statutory Auditors are kept in the records of the Board of Directors.

**ART. 10**

**MINUTING OF MEETINGS OF THE BOARD OF DIRECTORS**

10.1 Minutes are taken at every meeting of the Board and signed by the Chairman of the meeting and the Secretary or by the Notary in the cases provided for by the applicable legislation. The Secretary transcribes the minutes into the relevant company register.
10.2 The minutes adequately record any dissent expressed by the Directors on individual items, as well as their reasons.

10.3 The minutes of the meetings are drafted by the Secretary with the supervision of the Chairman and they are sent to the Directors and to the Statutory Auditors timely (and in any case no later than 30 days from the meeting). As a rule, the minutes are submitted to the Board of Directors for approval at the next convenient meeting and only afterwards are transcribed into the relevant company register; in the meantime, the resolutions adopted may be rendered executive. When necessary, these may be immediately transcribed and then reported subsequently, including in the minutes of the meeting, together with any speeches.

**ART. 11**

**DUTIES OF DIRECTORS**

11.1 Directors must act and pass resolutions with full knowledge of the facts, autonomy and independence of judgement and with the diligence required by the nature of their mandate and their respective specific areas of expertise, taking due account of the company’s interest and the stable creation of value over time for all shareholders and stakeholders. It is the duty and responsibility of the Directors to request additional information if the information received is deemed insufficient or unsuitable, indicating the need for it in advance of the Board meeting in response to a prior information flow.

11.2 The Directors accept and maintain the office as they believe that they can devote the necessary time to the diligent performance of their duties, taking into account the commitment relating to their work and the total number of director or auditor posts held in other companies listed on regulated markets, including foreign markets, or in Large Companies, and the relevant commitment, also in light of their participation in Committees.

11.3 Without prejudice to the provisions of the Company procedure on related party transactions, any Director who, on his or her own behalf or on behalf of third parties, has an interest in a certain Company transaction, immediately provides comprehensive information - in any case before the Board meeting - to the other Directors and the Board of Statutory Auditors on the nature, terms, origin and extent of his or her interest and abstains from voting on the relevant resolution. If it is the Chief Executive Officer, he or she must refrain from carrying out the transaction, entrusting it to the Board of Statutory Auditors.
11.4 The members of the Board of Directors and the Board of Statutory Auditors and the persons participating in the meetings pursuant to Art. 6.2, letter c) above, are required to maintain the confidentiality of any news, information and data acquired in the exercise of their duties (or in any case during Board meetings) and must not disclose the documentation received, including after the expiry of the mandate, without prejudice to the obligations imposed by law, by the judicial and/or supervisory authorities and, in any case, without prejudice to any further confidentiality obligation imposed on them pursuant to any legislation, including professional legislation, applicable or pursuant to specific confidentiality agreements to which they are a party.

11.5 For the purposes of assuming and maintaining their office, Directors must meet the integrity requirements established by Art. 147-quinquies of the TUF. The Board checks compliance with the above requirements after appointment and, subsequently, when significant circumstances arise and, in any case, at least once a year. To this end, the Directors are required to issue, when accepting their candidacy and office and, subsequently, at least once a year, a declaration that they meet the above requirements and undertake to communicate any change that has taken place.

ART. 12

ESTABLISHMENT AND FUNCTIONING OF THE INTERNAL COMMITTEES OF THE BOARD OF DIRECTORS

12.1 The Board establishes internal Committees, also in accordance with the principles and recommendations established by the Code of Corporate Governance, with investigative, propositional and advisory functions. When carrying out investigative activities on behalf of the Board, the Committees may make use of external consultants according to the terms established by the Board, which makes available to each Committee adequate financial resources for the performance of its duties.

12.2 When composing the Committees, the Board takes into account the independence requirements, the professionalism of the Directors and their experience, so that each Committee is made up of members whose expertise and professionalism is adequate and is made full use of in relation to the tasks assigned to the Committee of which they are members.

12.3 The Committees have at least two members.
12.4 If the Board has not done so, each Committee elects its own Chairman and meets when convened by the Chairman of the Committee or by the person acting for him or her. Meetings may be convened informally, including verbally. Prior notice is required.

12.5 Meetings of each Committee may also be held by audio or video conference. They are not subject to particular formalities, provided that they are minuted and that each member has the right to take part in the decision and is adequately informed. Decisions are taken by means of the favourable vote of the majority of members. In the event of a tie, the Committee Chairman has the casting vote.

12.6 Unless provided otherwise, the resolutions of each Committee are merely advisory and propositional and are not binding for the Board; they must be reported to the Board at the next convenient meeting.

**ART. 13**

**BOARD INDUCTION**

13.1 The Chairman, in agreement with the Lead Independent Director, where appointed, organises, with the support of the Secretary and in the most appropriate forms, initiatives intended to provide Directors and standing members of the Board of Statutory Auditors with adequate knowledge of the sectors in which the Group companies operate, the corporate dynamics and their evolution, including with a view to the sustainable success of the Company, as well as the principles of proper risk management and the relevant legislative and self-regulatory framework (the board induction).

**ART. 14**

**ASSESSMENT OF THE BOARD OF DIRECTORS**

14.1 At least every three years, the Board establishes a self-assessment process with a view to each renewal.

14.2 The self-assessment process concerns the size, composition and concrete functioning of the Board and its Committees, also considering the role that it has played in defining strategies and monitoring management performance and the adequacy of the internal control and risk management system.

14.3 The Chairman, with the support of the Secretary, ensures that the self-assessment process is carried out effectively, that the methods of conducting the assessment
are consistent with the degree of complexity of the Board's work and that appropriate corrective measures are adopted to address any shortcomings found.

**ART. 15**

**FINAL PROVISIONS**

15.1 The Board periodically verifies the adequacy of these Regulations.

15.2 These Regulations will be implemented progressively during the 2021 financial year. Detailed information on the state of implementation of the Regulations will be provided in the Report on Corporate Governance.