



## RenoDeMedici

*Registered office at Milano, Viale Isonzo n. 25  
Share capital Euro 140.000.000 fully paid up*

*Milan Companies Register and Fiscal Code n. 00883670150*

**DIRECTORS' EXPLANATORY REPORT ON THE SOLE ITEM  
ON THE AGENDA OF THE SHAREHOLDERS' MEETING  
CONVENED IN ORDINARY SESSION FOR 9 DECEMBER  
2021, ON FIRST CALL, AND FOR 10 DECEMBER 2021, ON  
SECOND CALL**

*Prepared pursuant to Article 125-ter of Legislative Decree 58/1998 as amended*



**Board of Directors**

Eric Laflamme

Michele Bianchi

Giulio Antonello

Laura Guazzoni

Mark Evan Becker

Monta Ozolina

Jordan Saint John Lubkeman

**Board of Statutory Auditors**

Diana Rizzo

Giancarlo Russo Corvace

Tiziana Masolini

**Auditors**

PwC S.p.A.



Dear Shareholders,

the Board of Directors of Reno De Medici S.p.A. (hereinafter, the "Company") wishes to inform you that the agenda for the Ordinary Shareholders' Meeting convened at Studio ZNR NOTAI in Milan, via Metastasio no. 5, on 9 December 2021, at 1.00 pm. 30, on first call, and for 10 December 2021, same time and place, on second call, by means of a notice published on the Company's website at [www.rdmgroup.com](http://www.rdmgroup.com), in the Governance/Shareholders' Meeting section, on 27 October 2021, as well as, on the same date, by extract in the daily newspaper "MF", is as follows:

- 1. Appointment of the Board of Directors.**
  - 1.1** Determination of the number and term of office of the Directors.
  - 1.2** Appointment of members of the Board of Directors.
  - 1.3** Appointment of the Chairman of the Board of Directors.
  - 1.4** Determination of the Directors' remuneration

The purpose of this report is to illustrate the reasons for the proposal contained in the sole item on the agenda of the Ordinary Shareholders' Meeting, pursuant to Article 125-ter of Legislative Decree no. 58 of 24 February 1998, as subsequently amended (hereinafter, the "TUF").

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## **1. APPOINTMENT OF THE BOARD OF DIRECTORS.**

- 1.1 DETERMINATION OF THE NUMBER AND TERM OF OFFICE OF THE DIRECTORS.**
- 1.2 APPOINTMENT OF MEMBERS OF THE BOARD OF DIRECTORS.**
- 1.3 APPOINTMENT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS.**
- 1.4 DETERMINATION OF THE DIRECTORS' REMUNERATION.**

Dear Shareholders,

Following the completion of the acquisition by Rimini BidCo S.p.A., a company controlled by the Apollo fund, of a majority stake in Reno De Medici S.p.A. (hereinafter also the "Company") of 66.68% of the share capital from the Company's two largest shareholders, i.e. Cascades Inc. and Caisse de dépôt et placement du Québec, on 26 October 2021 the Board of Directors of Reno De Medici S.p.A. received the resignation of the directors Ms Gloria Marino, Mr Sara Rizzon and Mr Alan Hogg, motivated by the change in corporate control. The Board of Directors then met on the same date and appointed by co-optation, in replacement of the resigning directors, the directors Mark Evan Becker, Monta Ozolina, Jordan Saint John Lubkeman

The current members of the Board of Directors are: Eric Laflamme, Michele Bianchi, Giulio Antonello (independent), Laura Guazzoni (independent), Mark Evan Becker, Monta Ozolina and Jordan Saint John Lubkeman.

At the end of the meeting of the aforementioned Board of Directors, the Chairman of the Board, Mr Eric Laflamme, also tendered his resignation with effect deferred to the earliest date between (i) 45 (forty-five) calendar days from today's date, and (ii) the end of the day preceding the date on which the next ordinary general meeting of the Company is to be held.

Consequently, the entire Board of Directors shall be deemed to have lapsed on the effective date of the resignation submitted by the Chairman of the Board of Directors, in accordance with the provisions of Article 12 of the Company's Articles of Association, the majority of the directors appointed by the Shareholders' Meeting ceasing to hold office..

Therefore, the Board resolved to convene the Ordinary Shareholders' Meeting for the appointment of the new Board of Directors, pursuant to Article 12 of the Company's Articles of Association, on 9 December 2021, at 1.30 p.m., at Studio ZNR NOTAI in Milan, via Metastasio no. 5 on first call and, if necessary, on second call on 10 December 2021, at the same time and place.

The Shareholders' Meeting is therefore invited to appoint the Board of Directors, in accordance with the terms and provisions of article 12 of the Company's Articles of Association.

The Board of Directors consists of a minimum of five and a maximum of fifteen Directors, according to the decision taken by the Shareholders' Meeting, for a term - determined at the time of appointment by the Shareholders' Meeting - that cannot exceed three



financial years; the term of office of the Directors thus appointed expires on the date of the Shareholders' Meeting called to approve the financial statements for the last financial year of their office.

The Directors are appointed by the Shareholders' Meeting on the basis of lists submitted by the Shareholders, in which the candidates must be listed by a progressive number.

Candidates must meet the requirements of the law, the Articles of Association and other applicable provisions.

Furthermore, the composition of the Board of Directors must comply with the criteria indicated in the provisions concerning (i) the minimum number of directors meeting the independence requirements set forth in Article 148, paragraph 3, of the Consolidated Law on Finance, and (ii) gender balance. In this regard, it should be noted that lists presenting a number of candidates equal to or greater than three must ensure that, in the composition of the list, at least two-fifths of the candidates belong to the less represented gender. If the application of the gender balance criterion does not result in a whole number of members belonging to the least represented gender, such number shall be rounded up to the nearest whole number.

With regard to the entitlement to submit lists, it should be noted that Shareholders who, alone or with other Shareholders, hold a total of shares representing at least 2.5% of the share capital with voting rights at the Shareholders' Meeting, as established by Consob Executive Determination No. 28 of 30 January 2020 and Article 12 of the Company's Articles of Association, are entitled to submit lists. It should be noted that the ownership of the aforementioned minimum shareholding required for the submission of lists is determined by taking into account the shares that are registered in favor of the shareholder on the day on which the lists are deposited at the Company's registered office (i.e., at least twenty-five days before the date set for the Shareholders' Meeting in first call).

Each Shareholder may submit or take part in the submission of one list only, and each candidate may appear on one list only, under penalty of ineligibility. Each Shareholder, Shareholders participating in a Shareholders' agreement pursuant to Article 122 of the Consolidated Law on Finance, the parent company, subsidiaries and joint ventures pursuant to Article 93 of the Consolidated Law on Finance, may not submit or participate in the submission of more than one list, not even through a third party or trust company.

The lists must be accompanied by:

- (i) the appropriate certificate issued by an intermediary authorized by law proving ownership, at the time the list is filed with the Company, of the number of shares required for the presentation of the list itself;
- (ii) declarations in which each candidate accepts his/her candidacy and certifies, under his/her own responsibility, the non-existence of causes of ineligibility and incompatibility provided for by the law and by the Articles of Association, as well as the existence of the requirements prescribed for the respective offices;



- (iii) a curriculum vitae regarding the personal and professional characteristics of each candidate with any indication of the candidate's suitability to qualify as independent pursuant to Article 148, paragraph 3, of the TUF.

Those who intend to submit lists for the appointment of the Board of Directors are invited to observe the recommendations made by Consob in its Communication no. DEM/9017893 of 26 February 2009, to which reference should be made. In this regard, it should be noted that the lists presented by Shareholders other than those who hold, even jointly, a controlling or majority shareholding, must be accompanied by a statement certifying the absence, with respect to such Shareholders, of relations of connection pursuant to articles 147-ter, paragraph 3, of the TUF and 144-quinquies of Consob Regulation no. 11971/1999.

Lists for which the above provisions are not observed shall be deemed not to have been submitted.

The election of directors shall take place as follows:

- a) the Directors to be elected, except one, shall be taken from the list obtaining the highest number of votes, in the progressive order in which they are listed on that list;
- b) the remaining Director is taken from the minority list which is not connected in any way, not even indirectly, either with the list referred to in subparagraph a) above or with those who submitted or voted for the list referred to in subparagraph a) above, and which obtained the second highest number of votes;
- c) if the candidates elected in the manner described above do not ensure the appointment of a number of Directors meeting the independence requirements established for statutory auditors in Article 148(3) of the Consolidated Law on Finance equal to the minimum number established by law, the non-independent candidate elected last in numerical order on the list that received the highest number of votes, as per letter a), will be replaced by the first independent candidate not elected from the same list in sequential order or, failing that, by the first independent candidate in sequential order not elected from the other lists, according to the number of votes obtained by each. This replacement procedure shall take place until the Board of Directors is made up of a number of members meeting the requirements set forth in Article 148, paragraph 3, of Legislative Decree No. 58/1998 equal to at least the minimum prescribed by law;
- d) if the candidates elected in the manner described above do not ensure the composition of the Board of Directors in accordance with the applicable pro tempore rules on gender balance, the candidate of the most represented gender elected last in numerical order from the list that received the highest number of votes shall be replaced by the first candidate of the least represented gender not elected from the same list in numerical order. This replacement procedure shall be carried out until the composition of the Board of Directors complies with the applicable pro tempore regulations on gender balance. If this procedure does not ensure the result referred to above, the replacement shall take place by resolution adopted by the Shareholders' Meeting by relative majority, subject to the submission of candidates belonging to the less represented gender;



- e) if only one list is submitted or if no list at all is submitted, the Shareholders' Meeting shall pass resolutions with the majorities provided for by law, without complying with the above procedure, it being understood that the number of independent directors provided for by law and the Articles of Association, as well as the applicable laws on gender balance, shall be respected.

The lists of candidates for the office of Director must be deposited by delivery, during office hours, at the registered office, Legal and Corporate Affairs Department of Reno De Medici S.p.A, viale Isonzo no. 25, 20135 Milan (MI), or to the certified email address [renodemedici@pec.rdmgroup.com](mailto:renodemedici@pec.rdmgroup.com), by the twenty-fifth day prior to the date of the Shareholders' Meeting on first call, i.e. by 14 November 2021 and will be made available at the Company's registered office and at the authorised storage mechanism "eMarketStorage", at [www.emarketstorage.com](http://www.emarketstorage.com), as well as on the Company's website at [www.rdmgroup.com](http://www.rdmgroup.com), in the Governance/Shareholders' Meeting section, at least 21 days prior to the date of the Shareholders' Meeting on first call, i.e. by 18 November 2021.

Lastly, with regard to the remuneration of the Board of Directors, it should be noted that, pursuant to Article 12 of the Company's Articles of Association, the Shareholders' Meeting is called upon to determine the total remuneration for the Board of Directors, which will remain unchanged until a new resolution is passed. The members of the Board of Directors are also entitled to the reimbursement of expenses incurred in connection with their office. In this regard, it should be noted that the Shareholders' Meeting of 29 April 2020 set the total remuneration of the Board of Directors composed of 7 members at € 170,000.00, to be paid pro rata temporis. Therefore, the Board of Directors, held on the same date, proposed to set the gross annual remuneration, pro-rata temporis, for each Director at € 20,000.00. It should also be noted that the Board of Directors' meeting of 29 April 2020 appointed the Chairman, recognizing the gross annual remuneration for this office, pro-rata temporis, of € 30,000.00.

In light of the above, the Board of Directors, having taken note of the provisions of the law and the Articles of Association concerning the composition, duration, method of appointment and remuneration of the members of the Board of Directors, invites the Meeting to:

- to appoint the new Board of Directors, on the basis of the lists presented and published in the manner and within the time limits set out in Article 12 of the Company's Articles of Association and in compliance with the provisions of the regulations in force;
- appoint the Chairman of the Board of Directors;
- determine the total remuneration due to the Directors, including those holding special offices.

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