

This is a courtesy translation of the executed Italian version of the Merger Plan

MERGER PLAN RELATING TO THE REVERSE MERGER BY
ABSORPTION

OF

ROSSINI INVESTIMENTI S.P.A.

AND

FIMEI S.P.A.

INTO

RECORDATI S.P.A.

DRAWN UP PURSUANT TO AND FOR THE PURPOSES OF

ARTICLE 2501-*TER* OF THE ITALIAN CIVIL CODE

1 October 2020

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GLOSSARY

Below is a list of the terms used in this Merger plan with their definitions. Any additional terms used in this Merger plan will have the meaning ascribed to them and indicated in the text.

“Committee” :.....	The Control, Risk and Sustainability Committee of Recordati S.p.A., which is the Committee for Related Party Transactions.
“Disappearing Companies” :.....	Rossini Investimenti and Fimeì.
“Fimeì” :.....	Fimeì S.p.A., a company incorporated and existing under Italian law, with registered office at via del Vecchio Politecnico no. 9, Milan, subscribed and paid-up share capital of Euro 10,000,000.00, tax number and registration number with the Companies’ Register of Milan-Monza-Brianza-Lodi: 01001630159, VAT number 10042010156, listed in the Milan Economic and Administrative Index under no. 784291, a company subject to the management and coordination activity of Rossini Luxembourg S.à r.l.
“Group” :.....	The group of companies to which Recordati S.p.A. currently belongs and headed by CVC Capital Partners VII Limited.
“Issuers’ Regulation” :	The regulation adopted by Consob Resolution No. 11971 of 14 May 1999, as subsequently amended and supplemented.
“Merger” or “Transaction” :.....	The proposed reverse merger by absorption of Rossini Investimenti S.p.A. and Fimeì S.p.A. into Recordati S.p.A.
“OPC Regulations” :.....	The regulation adopted by Consob Resolution No. 17221 of 12 March 2010 and most recently amended by Resolution No. 19974 of 27 April 2017.
“Participants in the Merger” :	Recordati, Rossini Investimenti and Fimeì.
“Procedure” :	The procedure for governing related party transactions approved by the Board of Directors of Recordati S.p.A. at the meeting of 24 November 2010 and updated on 11 February 2014 and subsequently on 9 February 2017.
“Recordati” or “Surviving Company” or “Issuer” :.....	Recordati S.p.A., a company incorporated and existing under Italian law, with registered office at via Matteo Civitali no. 1, Milan, subscribed and paid-up share

capital of Euro 26,140,644.50, tax identification number, VAT number and registration number with the Companies' Register of Milan-Monza-Brianza-Lodi: 00748210150, listed in the Milan Economic and Administrative Index under no. 401832, a company subject to the management and coordination activity of Rossini Luxembourg S. à r.l..

- “Rossini Investimenti”**: Rossini Investimenti S.p.A., a company incorporated and existing under Italian law, with registered office at via del Vecchio Politecnico no. 9, Milan, subscribed and paid-up share capital of Euro 82,550,000.00, tax number, VAT number and registration number with the Companies' Register of Milan-Monza-Brianza-Lodi: 10428410962, listed in the Milan Economic and Administrative Index under No. 2530577, a company subject to the management and coordination activity of Rossini Luxembourg S.à r.l.
- “Rossini Luxembourg”**: Rossini Luxembourg S.à r.l., a company incorporated and existing under Luxembourg law with registered office at 20 Avenue Monterey, L-2163, Luxembourg (Grand Duchy of Luxembourg), registered with the Luxembourg *Registre de Commerce et des Sociétés (RCS)* under number B 224498.
- “Rossini Sarl”**: Rossini S. à r.l., a company incorporated and existing under Luxembourg law, with registered office in Luxembourg (Grand Duchy of Luxembourg), 20 avenue Monterey, L-2163, registered with the Luxembourg *Registre de Commerce et des Sociétés (RCS)* under number B 226214.
- “TUF”**: Leg. Dec. No. 58/1998, as subsequently amended and supplemented.

WHEREAS

- A.** In a communication dated 15 June 2020, Rossini Luxembourg, in its capacity as company exercising management and coordination activity over the Participants in the Merger, expressed its intention to proceed with the Merger and invited Recordati, Rossini Investimenti and Fimeì to take the necessary steps to complete the Transaction in the first months of 2021 (it being understood that, in order to allow the distributions described in the following Article 3, the Transaction will have to be completed after the date of approval of the Disappearing Companies' financial statements as at 31 December 2020).
- B.** The Merger in question is part of the broader process of indirect acquisition by Rossini Investimenti, through Fimeì, of the majority of the share capital of Recordati (with which the Merger is strictly and intrinsically connected), which was completed through a contribution of equity capital by Rossini Sarl to Rossini Investimenti for a total amount of approximately Euro 3 billion.
- C.** The Merger achieves the objective of: (i) shortening the chain of control with respect to the operating companies and simplifying the Group's corporate structure, in line with national and international practice, which also results in a tax benefit for the operating company deriving from the possibility of using the ACE benefit accrued with respect to Rossini Investimenti and attributable to the contributions made by Rossini Sarl within the context of the acquisition mentioned above. In particular, in view of the capitalisation indicated in recital B, in response to a specific petition, the Italian Revenue Agency recognised its significance as a capital increase for ACE purposes and, for this purpose, Rossini Investimenti accrued during the 2018 and 2019 financial years, and will accrue also during 2020 and 2021 until the Accounting Effective Date (as defined below), a cumulative ACE benefit which will generate lower taxes of approximately Euro 12.9 million for the Surviving Company (the possibility for the Surviving Company to use this tax benefit has been, as a precautionary measure, the subject of a specific petition, filed on 5 August 2020, for which it is reasonable to expect a positive outcome). The Merger would also allow Recordati to make use of the additional ACE benefit, to be calculated for each year on the significant increase in capital transferred by the Disappearing Companies, in future and without any time limit. Given current legislation, this benefit will nevertheless be available within the limit of the amount of the Surviving Company's net equity book value, thereby generating further lower taxes of approximately Euro 1.3 million on an annual basis (except for the first year of effectiveness of the Merger - from the Effective Date until 31 December 2021 - when such lower taxes resulting from the ACE benefit will amount to approximately Euro 1 million); (ii) rationalising the corporate structure and simplifying the existing chain of control, resulting in improved streamlining of management, in line with national and international practices; (iii) reducing the administrative costs associated with maintaining the Disappearing Companies, with the consequent release of resources for the benefit of the entire Group; (iv) obtaining administrative synergies and synergies linked to fixed structural costs, as well as greater financial efficiency resulting from a shortening of the chain of control which will allow for a faster recovery of dividend flows, and resulting in a lower tax cost as a consequence of the elimination of additional tax levels.
- D.** The Boards of Directors of the Participants in the Merger today approved this Merger plan prepared in accordance with Article 2501-ter of the Italian Civil Code (the "**Merger Plan**").

- E.** As at the date of this Merger Plan, Fimeì holds 108,368,721 ordinary shares of Recordati, representing 51.820% of its share capital, while Rossini Investimenti holds 10,000,000 ordinary shares of Fimeì, representing 100% of its share capital. Therefore, the Merger is deemed a so-called reverse merger, i.e. a form of merger by absorption in which the part-owned company merges the companies directly and indirectly owning a shareholding. The decision to proceed with this form of merger will enable the Surviving Company to ensure the continuation of its contractual relations and to maintain the *status* of a listed company that it would otherwise have lost in the event of the merger of Recordati into Rossini Investimenti or Fimeì.
- F.** As at the date of this Merger Plan, the share capital of Rossini Investimenti is wholly owned by Rossini Sarl.
- G.** The reference balance sheets pursuant to Article 2501-*quater* of the Italian Civil Code are represented, for the Surviving Company, by the consolidated half-year financial report as at 30 June 2020, prepared pursuant to Article 154-*ter* of the TUF and approved by the Board of Directors of Recordati on 30 July 2020, and, for the Disappearing Companies, by the balance sheet as at 30 June 2020, prepared pursuant to Article 2501-*quater* of the Italian Civil Code and approved by their Boards of Directors on 11 September 2020. Such balance sheets will be made available to the public within the terms and conditions of applicable law and regulations.
- H.** In view of the legal relationship of control existing between Rossini Investimenti and Fimeì and between the latter and Recordati, and the significance of the Merger, it constitutes a “major” transaction between related parties pursuant to and for the purposes of the OPC Regulations and the Procedure. The Committee, which acts as a committee for related party transactions, was therefore involved in the investigation of the Merger and in the approval of the proposed resolution to be submitted to the extraordinary shareholders' meeting of Recordati. On 28 September 2020, the Committee expressed its reasoned favourable opinion on the existence of the interest of Recordati in carrying out the Transaction, as well as on the expediency and substantial fairness of the terms and conditions of the Transaction, pursuant to the OPC Regulations and the Procedure.
- I.** The Merger is to be considered significant within the meaning of Article 70 of the Issuers' Regulation. However, with effect from 20 December 2012, Recordati decided to derogate from the obligations to publish the information documents prescribed for significant transactions involving mergers, demergers and capital increases by means of the contribution of assets in kind, acquisitions and disposals, pursuant to Article 70, paragraph 8, and Article 71, paragraph 1-*bis*, of the Issuers' Regulation. It will therefore not be necessary to provide an information document in accordance with Annex 3B of the Issuers' Regulation.
- J.** It is envisaged that, as at the Effective Date, there will be no pledges or other rights in rem of third parties on the shares representing the entire share capital of Fimeì and on the shares representing the entire share capital of Rossini Investimenti, on the bank accounts of Fimeì and Rossini Investimenti, on any receivables of Rossini Investimenti *vis-à-vis* Fimeì, nor personal guarantees provided by Rossini Investimenti in the context of the indirect acquisition of Recordati by Rossini Investimenti via the acquisition of the entire share capital of Fimeì.

- K.** No debts or liabilities arising from the acquisition of Fimef completed on 6 December 2018 and/or from the full mandatory takeover bid made on 6 December 2018 by Rossini Investimenti for 97,735,180 ordinary shares representing 46.735% of the share capital of Recordati presently encumber Rossini Investimenti.
- L.** On 1 September 2020 the management bodies of the Participants in the Merger filed a petition with the Court of Milan for the appointment of the expert pursuant to Article 2501-*sexies* of the Italian Civil Code, with the option pursuant to Article 2501-*sexies*, paragraph 4 of the Italian Civil Code to request from the court of the place where the company resulting from the merger is based the appointment of one or more joint experts, with the task of certifying the appropriateness of the Exchange Ratio (as defined below), in their report.
- M.** The management bodies of the Participants in the Merger will make available to the public the directors' report drafted pursuant to Article 2501-*quinquies* of the Italian Civil Code, under the terms and conditions established by law and regulations and, with regard to Recordati, Article 70, paragraph 2, of the regulation adopted by CONSOB Resolution No. 11971 of 14 May 1999, in accordance with model 1 of the relevant Annex 3A.
- N.** For the reasons set out in Article 11 of this Merger Plan, the management bodies of the Participants in the Merger will notify the Presidency of the council of Ministers of the Transaction within ten days as from the date hereof, pursuant to Article 15 of Legislative Decree No. 23/2020 and Article 4, paragraph 2, of Presidential Decree No. 85/2014.
- O.** The Transaction will be submitted to the extraordinary shareholders' meetings of the Participants in the Merger for approval, under the terms and by the methods established by law and regulations.
- P.** At the date of the Merger Plan, none of the Disappearing Companies has employees and, therefore, the requirements for application of the trade union information and consultation procedure provided for by Article 47 of Law No. 428/1990 are not met.

1. PARTICIPANTS IN THE MERGER

1.1. Surviving Company

Name and identifiers

Recordati S.p.A., a company incorporated and existing under Italian law, with registered office at via Matteo Civitali 1, Milan, tax number, VAT number and registration number with the Companies' Register of Milan-Monza-Brianza-Lodi: 00748210150, listed in the Milan Economic and Administrative Index under No. 401832, a company subject to the management and coordination activity of Rossini Luxembourg.

Share capital

At the date of this Merger Plan, the subscribed and paid-up share capital of the Issuer is Euro 26,140,644.50 and is divided into 209,125,156 ordinary shares with a nominal value of Euro 0.125 each, listed on the Mercato Telematico Azionario organised and managed by Borsa Italiana S.p.A. and subject to the dematerialisation and centralised management regime applicable to Monte Titoli S.p.A. pursuant to Articles 83-*bis* et seq. of the TUF.

Shareholders

The following table shows the shareholders of Recordati to date - according to the most up-to-date results of the shareholders' register, supplemented by the notices disseminated pursuant to Article 120, paragraph 2, of the TUF and Part III, Title III, Chapter I, Section I of the Issuers' Regulation.

Declarant	Direct shareholder	% of the share capital	Total
CVC Capital Partners VII Limited	Fimei	51.820%	51.820%
FMR LLC	Fidelity Management & Research (Japan) Limited	0.097%	5.902%
	Fidelity Institutional Asset Management Trust Company	0.308%	
	FIAM LLC	0.238%	
	Fidelity Management & Research Company LLC	4.509%	
	FMR Investment Management (UK) Limited	0.750%	

MAWER INVESTMENT MANAGEMENT LTD	MAWER INVESTMENT MANAGEMENT LTD	5.005%	5.005%
Third-party shareholders (with shareholdings of less than 3% of the share capital) as at the date hereof	-	35.846%	35.846%
Treasury shares as at the date hereof	Recordati	1.427%	1.427%

1.2. Disappearing Companies

Name and identifiers

Fimeì S.p.A., a company incorporated and existing under Italian law, with registered office at via del Vecchio Politecnico no. 9, Milan, tax number and registration number with the Companies' Register of Milan-Monza-Brianza-Lodi: 01001630159, VAT number 10042010156, listed in the Milan Economic and Administrative Index under No. 784291, a company subject to the management and coordination activity of Rossini Luxembourg.

Share capital

At the date of this Merger Plan, the subscribed and paid-up share capital of Fimeì is Euro 10,000,000.00 and is divided into 10,000,000 ordinary shares with a nominal value of Euro 1.00 each.

Activity

Fimeì, in accordance with its corporate object, does not perform any commercial and/or industrial activity and is limited to management of its shareholding directly held in Recordati.

The shareholding in Recordati (in addition to minority interests in Fluidigm Corporation, Digital Gene Technologies Inc., and Miacomet Inc., of negligible value) is the only asset owned by Fimeì as at today's date.

Fimeì's financial statements at 31 December 2019 also indicate a significant receivable from the Tax Authorities of Euro 38,405,286.00 (based on the results of Fimeì's balance sheet at 30 June 2020, this receivable at the reporting date amounts to Euro 37,425,691.00), essentially offset by a corresponding payable to Recordati arising from the payment of major advances and settlement of the tax benefits attributed by Recordati to Fimeì.

Shareholders

The following table shows the shareholders of Fimeì as at today's date.

Shareholder	% of the share capital
Rossini Investimenti	100%

Name and identifiers

Rossini Investimenti S.p.A., a company incorporated and existing under Italian law, with registered office at via del Vecchio Politecnico no. 9, Milan, tax number, VAT number and registration number with the Companies' Register of Milan-Monza-Brianza-Lodi: 10428410962, listed in the Milan Economic and Administrative Index under No. 2530577, a company subject to the management and coordination activity of Rossini Luxembourg.

Share capital

At the date of this Merger Plan, the subscribed and paid-up share capital of Rossini Investimenti is Euro 82,550,000.00 and is divided into 82,550,000 ordinary shares with a nominal value of Euro 1.00 each.

Activity

Rossini Investimenti, in accordance with its corporate object, does not perform any commercial and/or industrial activity and is limited to the management of its shareholding indirectly held in Recordati, which constitutes the only asset owned thereby through Fimeì.

Shareholders

The following table indicates the shareholders of Rossini Investimenti as at today's date.

Shareholder	% of the share capital
Rossini Sarl	100%

2. ARTICLES OF ASSOCIATION OF THE SURVIVING COMPANY

It is not planned that the Articles of Association of the Issuer will undergo amendments and, in particular, that the share capital of the Surviving Company will be increased as a result of the Merger. The text of the current Articles of Association of the Surviving Company is attached to this Merger Plan under **Annex A**.

3. EXCHANGE RATIO AND CASH BALANCE

The Merger will be decided on the following basis:

- (a) for the Surviving Company, the consolidated half-year financial report as at 30 June 2020, prepared pursuant to Article 154-ter of the TUF, that was approved by the Board of Directors of Recordati on 30 July 2020, and
- (b) for the Disappearing Companies, the balance sheets as at 30 June 2020, drawn up pursuant to Article 2501-*quater* the Italian Civil Code, that were approved by the Boards of Directors of Rossini Investimenti and Fimeì on 11 September 2020.

The Exchange Ratio was determined on the basis that the ordinary shareholders' meeting of Fimeì decides on the approval of the financial statements for the year ended 31 December 2020 and the distribution and payment to Rossini Investimenti and that the ordinary shareholders' meeting of Rossini Investimenti in turn decides on the approval of the financial statements for the year ended 31 December 2020 and the distribution and payment to Rossini Sarl, prior to the effective date of the Merger, of an amount of reserves equal to the surplus cash for each of the Disappearing Companies prior to the completion of the Transaction, net of any charge, tax and/or cost that may be due or any debt encumbering the Disappearing Companies at the same date, it being understood that, for the purposes of calculating the surplus cash to be distributed by Rossini Investimenti, no assets recorded in light of the ACE benefit shall be taken into account.

As a result of such distributions, the value of the net assets of the Disappearing Companies will essentially coincide with the value of the ordinary shares of Recordati held directly by Fimeì and indirectly by Rossini Investimenti (without prejudice to any assets recorded by Rossini Investimenti in light of the ACE benefit).

In light of the value and composition of the net assets of the Participants in the Merger, and in light of the distributions described above, the Boards of Directors of the Participants in the Merger arrived at the following exchange ratio (the “**Exchange Ratio**”):

- **against the cancellation (i) of the 10,000,000 shares representing the entire share capital of Fimeì, all held by Rossini Investimenti, as well as (ii) of the 82,550,000 shares representing the entire share capital of Rossini Investimenti, all held by Rossini Sarl,**
- **all 108,368,721 ordinary shares of Recordati currently held by Fimeì, or the different number of shares of Recordati that will be held by Fimeì on the Effective Date of the Merger, will be reassigned to Rossini Sarl (in other words, the latter, as at the date hereof, would be reassigned 1.313 shares of Recordati for each share of Rossini Investimenti),**

with the maintenance by third-party shareholders (i.e. other than Rossini Sarl, following the Merger, and by the Issuer itself) of the ordinary shares of Recordati held thereby prior to the Effective Date of the Merger.

In light of the foregoing, the Merger will not entail any change in the share capital of the Surviving Company, or the payment of cash balances.

It should also be noted that the capital and income profile of the entity resulting from the Merger will be substantially in line with that of the Issuer at present and, in particular, the Merger will not alter the net financial position and, therefore, the investment capacity of Recordati or the strategy or policy of allocation of its capital.

For a more detailed explanation of the reasons justifying the Exchange Ratio, please refer to the reports prepared by the Boards of Directors of the Participants in the Merger pursuant to Article 2501-*quinquies* of the Italian Civil Code (and, with regard to Recordati, Article 70, paragraph 2, of the regulation adopted by CONSOB Resolution No. 11971 of 14 May 1999,

in accordance with model 1 of the relevant Annex 3A), which will be made available to the public within the terms and conditions established by law and regulations.

Considering the Exchange Ratio, the share capital of Recordati will be subdivided as follows as a result of the Merger, without prejudice to any communications regarding significant changes in shareholdings and changes to the number of treasury shares independent of the Merger:

Declarant	Direct shareholder	% of the share capital	Total
CVC Capital Partners VII Limited	Rossini Sarl	51.820%	51.820%
FMR LLC	Fidelity Management & Research (Japan) Limited	0.097%	5.902%
	Fidelity Institutional Asset Management Trust Company	0.308%	
	FIAM LLC	0.238%	
	Fidelity Management & Research Company LLC	4.509%	
	FMR Investment Management (UK) Limited	0.750%	
MAWER INVESTMENT MANAGEMENT LTD	MAWER INVESTMENT MANAGEMENT LTD	5.005%	5.005%
Third-party shareholders (with shareholdings of less than 3% of the share capital) as at the date hereof	-	35.846%	35.846%
Treasury shares as at the date hereof	Recordati	1.427%	1.427%

4. PROCEDURE FOR THE ALLOTMENT OF THE SHARES OF THE SURVIVING COMPANY AND DATE OF ENTITLEMENT THEREOF

As a result of the completion of the Merger, the shares representing the entire share capital of Fimef and the shares representing the entire share capital of Rossini Investimenti will be

cancelled and, given the Exchange Ratio set out in Article 3 of this Merger Plan, Rossini Sarl will receive all 108,368,721 ordinary shares representing 51.820% of the share capital of Recordati currently held by Fimei (or the different number of shares of Recordati which will be held by Fimei on the Effective Date of the Merger).

Such reallocation will take place by updating the relevant accounting records. The reassigned shares will be made available to Rossini Sarl in the forms proper to the centralised management of shares in a dematerialised regime by Monte Titoli S.p.A., as from the first working day following the effective date of the Merger. This date will be announced through a notice published on the Recordati's website.

5. DATE FROM WHICH THE SHARES OF THE SURVIVING COMPANY ALLOCATED IN EXCHANGE WILL PARTICIPATE IN PROFITS

The ordinary shares of the Surviving Company that will be reassigned to Rossini Sarl in exchange will have the same dividend entitlement date as that of the ordinary shares of Recordati in circulation on the effective date of the Merger and will grant their holders rights equivalent to those held by the holders of the ordinary shares of the Surviving Company in circulation at the time of the assignment.

6. EFFECTIVE DATE OF THE MERGER FOR STATUTORY, ACCOUNTING AND TAX PURPOSES

It is envisaged that the Transaction shall be completed by the end of the first half of FY 2021 and in any event following the date of approval of the financial statements of the Disappearing Companies as at 31 December 2020 and of their closing balance sheets as at 31 March 2021.

Within the technical time strictly necessary immediately after the approval of the abovementioned closing balance sheets, the Participants in the Merger will execute the Merger deed and file it with the competent Companies' Register. The transactions of the Disappearing Companies will be ascribed to the financial statements of the Surviving Company as from 1 April 2021 (the "**Accounting Effective Date**").

The same Accounting Effective Date will be considered the start date for the purposes referred to in Article 172, paragraph 9, of Presidential Decree No. 917 of 22 December 1986.

Pursuant to Article 2504-*bis*, paragraph 2, of the Italian Civil Code, the Merger will produce its statutory effects as from the last of the registrations required by Article 2504 of the Italian Civil Code (the "**Effective Date**"). As from that date, the Surviving Company will succeed in all the legal rights and obligations of the Disappearing Companies.

7. ACCOUNTING ASPECTS OF THE MERGER

mergers between parent companies and subsidiaries are not specifically dealt with in the scope of IFRS 3, so different points of view and approaches in the assessment of accounting profiles may be found in practice.

When the subsidiary is the surviving company and the consolidated financial statements drawn up by the parent company are not public or useful for investors, it may be appropriate, following the merger, to use the subsidiary/surviving company's financial statements as the reference financial statements in order to continue to meet the needs of those who use this instrument for their decisions.

On the basis of such conditions, the so-called "legal approach" represents the preferable method to account for the accounting effects of the Transaction. In particular, in this circumstance and on the basis of the structure of the Transaction, the legal approach with the use of the "book value" is considered applicable, as an alternative to the "fair value" method, since the absorbed parent entities do not meet the definition of "business" contained in IFRS 3.

On the basis of such approach:

- the financial statements after the Merger will reflect this Transaction from the perspective of the subsidiary;
- the amounts relating to the acquisition of the merging subsidiary by the parent company, which are previously recorded in the consolidated financial statements, will not be recognised by the subsidiary;
- the subsidiary will recognise the Transaction as a contribution by the parent company to book values, entering the assets acquired that are identifiable and the liabilities assumed by the parent company at their historical book value and the difference as equity;
- the book value of the assets and liabilities held by the subsidiary is the same both before and after the Merger and there is no accounting of any fair value adjustments or recognitions of goodwill relating to the assets and liabilities of the subsidiary that were registered by the parent at the time of the acquisition of the subsidiary in its consolidated financial statements;
- in the separate financial statements, the comparative information must not be restated in order to include the values of the absorbed parent and its assets and liabilities and financial performance are reflected in the separate financial statements only from the date on which the Merger took place.

Given that the value of the net assets of the Disappearing Companies will essentially coincide with the value of the ordinary Recordati shares held directly by Fimef and indirectly by Rossini Investimenti (without prejudice to any assets recorded by Rossini Investimenti in light of the ACE benefit), the financial statements of the entity resulting from the Merger will therefore be essentially in line with the current accounts of the Issuer.

8. TAX EFFECTS OF THE MERGER

The proposed Merger is tax-neutral pursuant to Article 172 of Presidential Decree No. 917/1986.

The tax effects of the Merger, as per the above Article 6, will apply from the Accounting Effective Date, pursuant to Article 172, paragraph 9, of Presidential Decree No. 917/1986.

Due to the Merger and subject to the outcome of an appropriate petition (filed as a precautionary measure on 5 August 2020 and for which it is reasonable to expect a positive

outcome), Recordati will inherit the ACE surplus accrued with respect to Rossini Investimenti and the possibility of benefiting from the further ACE benefit in future, to be calculated for each year on the significant increase in capital transferred by the Disappearing Companies (given the current regulations, this benefit will have to be calculated on the lower amount of the net equity book value of the Surviving Company).

Given that Fimei and Recordati have opted, together with the subsidiary of Recordati Italchimici S.p.A., for tax consolidation in accordance with Articles 117 et seq. of Presidential Decree No. 917 of 22 December 1986, valid for the three-year period 2019-2021 for Fimei and Recordati and 2018-2020 for Fimei and Italchimici S.p.A., it should be noted that, following the Merger of the consolidating company Fimei into the Surviving Company, group taxation will continue, pursuant to Article 11, paragraph 2, of Ministerial Decree of 1 March 2018, with Recordati as consolidating entity.

9. TREATMENT OF PARTICULAR CATEGORIES OF SHAREHOLDERS AND DIRECTORS

Special categories of shareholders or holders of securities other than shares to which special treatment may be reserved, depending on the Merger, do not exist in any of the Participants in the Merger.

No particular advantage in connection with the Transaction is provided for the directors of the Participants in the Merger.

10. WITHDRAWAL

Both the Disappearing Companies are holding companies and have as their exclusive corporate object the assumption, holding, management and disposal, in an entrepreneurial and organised form, of the (direct or indirect) shareholding in Recordati and in the affiliated companies of Recordati.

The Merger will therefore not entail any amendment of the corporate object clause to include a significant change in the Surviving Company's activity, nor will it result in any exclusion from the listing of Recordati.

It follows that shareholders who do not vote on the adoption of the merger resolution will not have the right of withdrawal pursuant to Article 2437, paragraph 1, letter a) or Article 2437-*quinquies* of the Italian Civil Code, or on any other grounds.

11. NOTIFICATION OF THE MERGER TO THE PRESIDENCY OF THE COUNCIL OF MINISTERS UNDER THE GOLDEN POWER LEGISLATION

The Merger is subject to the obligation to notify the Presidency of the Council of Ministers under Legislative Decree No. 21/2012, converted into Law No. 56/2012, containing "*Rules concerning special powers over corporate assets in the defence and national security sectors, as well as for activities of strategic importance in the energy, transport and communication sectors*" and subsequent relevant measures; the "**Golden Power Law**") and will only be implemented through the execution of the merger instrument if the special powers provided for in said Laws are not exercised.

12. MERGER CONDITIONS

The completion of the Merger is subject to the occurrence of the following conditions or their waiver (where permitted), in addition to the approval by the extraordinary shareholders' meetings of the Participants in the Merger pursuant to Article 2502 of the Italian Civil Code:

- (a) non-receipt of communications from the Presidency of the Council of Ministers concerning the exercise of vetoes and/or irregularities and/or the imposition of conditions regarding the Merger pursuant to the Golden Power Law by the Effective Date;
- (b) issue of a positive opinion on the appropriateness of the Exchange Ratio by the joint expert appointed pursuant to Article 2501-*sexies* of the Italian Civil Code;
- (c) non-occurrence of one or more events or circumstances with a significant negative effect on the activities, legal relationships, liabilities and/or operating results of the Participants in the Merger, and, in any case, such as to alter the risk profile or assessments on which the Exchange Ratio is based by the Effective Date;
- (d) the absence, as at the Effective Date, of pledges or other rights in rem of third parties on the shares representing the entire share capital of Fimei and on the shares representing the entire share capital of Rossini Investimenti, on the bank accounts of Fimei and Rossini Investimenti, on any receivables of Rossini Investimenti *vis-à-vis* Fimei, as well as of personal guarantees provided by Rossini Investimenti in the context of the indirect acquisition of Recordati by Rossini Investimenti via the acquisition of the entire share capital of Fimei.

*** **

The documentation indicated in Article 2501-*septies* of the Italian Civil Code will be filed under the terms and conditions established by law and regulations.

Without prejudice to updates, variations and additions, including numerical ones, to this Merger Plan and to the Issuer's Articles of Association appended hereto as under Annex A, as permitted by legislation or as may be required by the competent supervisory authorities or by the competent offices of the Companies' Register.

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Annex:

- A. Existing Articles of Association of Recordati.

Milan, 1 October 2020

Recordati S.p.A.

Andrea Recordati
Chief Executive Officer

Rossini Investimenti S.p.A.

Giampiero Mazza
Chairman of the Board of Directors

Fimeì S.p.A.

Giampiero Mazza
Chairman of the Board of Directors

ANNEX “C” TO FILE INDEX NO 3452/X866

ARTICLES OF ASSOCIATION

COMPANY NAME – REGISTERED OFFICE - TERM -PURPOSE

Article 1) – A joint-stock company named:

"RECORDATI - INDUSTRIA CHIMICA E FARMACEUTICA S.P.A." is hereby incorporated. The company name can also be used in the abbreviated form **“RECORDATI S.P.A”**.

Article 2) – The Company has its registered office in Milan and its secondary office in Campoverde, Aprilia (Latina).

The Company can establish in Italy and abroad, secondary offices, branches, sub-offices, agencies and representatives.

Article 3) – For all matters concerning their relations with the Company, the directors elect address for service at the addresses specified in the shareholders’ ledger.

Article 4) - The Company term is established at 31 December 2100 and can be extended once or several times.

Article 5) - The corporate purpose of the Company is to research, trade and sell special medicinal products, fine chemical products, and pharmaceutical, medical, biological, diagnostic, galenic, hygiene, food, dietary, nutritional, cosmetic, scent products, as well as products for animals, veterinary science and agriculture; of chemical products and raw materials in general; of alcoholic and soft drinks, liqueurs, of confectionery products; of equipment, plant and tools for industrial use and for medical and scientific use; of products similar to those mentioned above.

The Company can also issue, publish and disseminate non-daily publications of a technical, scientific, industrial, cultural and artistic nature and produce film documentaries of a technical, scientific and industrial nature.

The Company’s purpose also includes undertaking, both directly and indirectly, in Italy and abroad, shares, interests and quotas in other companies or organisations which have been or are being established, with any form and corporate purpose, and to run, fund and ensure the technical, scientific, administrative and financial coordination of the same;

- the purchase, sale, possession, administration and assignment of public or private securities of any type listed or not listed on the Stock Exchange and of personal property in general;
- the construction, purchase, sale, possession, administration on its own behalf, and rental of real estate.

The Company can engage, both in Italy and abroad, with no restrictions whatsoever, in all the industrial, commercial, financial operations and all operations concerning personal property and real estate that may be deemed necessary or useful for the fulfilment of the corporate purpose;

It can issue bank guarantees, endorsements and all other kinds of guarantees, including those involving collateral; it can act as the representative, licensee, agency and depositary of other companies and appoint other companies to act in these same roles on its behalf.

CAPITAL

Article 6) - The share capital is Euro 26,140,644.50, which is divided into 209,125,156 ordinary shares, each with a face value of Euro 0.125.

Shares which entitle the holders to different rights from those conferred by the previous shares can be issued.

The shares are indivisible and the company only recognises one owner per share.

The shares can be registered or, unless otherwise ordered, bearer shares.

Registered shares are transferrable, in line with the procedures dictated by law.

Ownership of shares implies that the bearer accepts these Articles of Association and the resolutions passed by the Shareholders' Meetings.

With the resolution passed on 11 April 2017, the Extraordinary Shareholders' Meeting:

a) invested the Board of Directors, pursuant to Article 2443 of the Italian Civil Code, the right to increase the share capital in one or two transactions, free of charge and/or for payment, for a maximum face value amount of Euro 50,000,000 (fifty million) in registered shares, by issuing ordinary shares in the Company with the same characteristics as those in circulation as of the date of issuance, for a maximum period of five years from the date of the resolution, by issuing ordinary shares and/or warrants valid for the subscription of said shares, to be assigned or offered to the eligible parties with the right of first refusal, with the right, pursuant to Article 2441, last paragraph of the Italian Civil Code, to offer the shares for subscription by employees of Recordati S.p.A. or of companies owned by the same in stock option plans resolved upon by the Shareholders' Meeting;

b) invested in the Board of Directors, pursuant to Article 2420-ter of the Italian Civil Code, the right to issue, in one or two transactions, for a maximum face value amount of Euro 80,000,000 (eighty million), securities that can be converted into ordinary shares, or with warrants valid for the subscription of said shares, with a consequential increase in the share capital to serve the conversion by way of the issuance of ordinary shares in the Company with the same characteristics as those in circulation as of the date of issuance, to be offered to the eligible parties with the right of first refusal for a maximum period of five years from the date of the resolution, in compliance with the legislation in force regarding restrictions on the issuance of securities.

The share capital can also be increased with contributions other than cash within the legal limits.

Article 7) – The payments for the shares must be made in compliance with the law, in the ways and under the terms and conditions established by the Board of Directors.

Any shareholder who delays in making the payments will be liable to pay 5% interest p.a. (five per cent) without prejudice to the provisions of Article 2344 of the Italian Civil Code

Article 8) – When the legal conditions apply, the Shareholders' Meeting, can resolve to reduce the capital without prejudice to the terms of Articles 2327 and 2413 of the Italian Civil Code, also by assigning to individual Shareholders or groups of shareholders certain company activities and shares or quotas in owned in subsidiary companies.

ASSEMBLEA

Article 9) – The Shareholders’ Meeting can be Ordinary or Extraordinary pursuant to the law. It can also be convened outside the registered office of the company, as long as it takes place in Italy.

The Shareholders’ Meeting will be convened by way of the procedures and the terms and conditions established by the law. The call notice, containing the information envisaged by the regulations in force, must be published within the terms established by the law:

- on the Company website;
- where necessary, due to a mandatory order or when decided so by the directors, in at least one of the following national daily newspapers: “Il Corriere della Sera”; “La Repubblica”, “La Stampa”, “Il Giornale”, “Milano Finanza”;
- by way of the other procedures envisaged by the *pro tempore* laws in force, including those of a regulatory nature.

The notice of call can also contain the date of any calls subsequent to the first. The Board of Directors can establish, should the need arise, that the Ordinary Shareholders’ Meeting and the Extraordinary Shareholders’ Meeting are held following a single call. In case of a single call, the majorities envisaged by the law for this case will be applied. The Ordinary Shareholders’ Meeting for the approval of the Financial Statement is convened within one hundred and twenty days from the closure of the financial year. When the legal conditions apply, the Shareholders’ Meeting can be convened within one hundred and eighty days from the closure of the financial year. The Directors will state the reasons for the extension in the report required by Article 2428 of the Italian Civil Code.

As well as upon the initiative of the Board of Directors, the Shareholders’ Meeting can also be convened pursuant to the law, by the Board of Auditors or even only by two of its members, or upon the request of a number of Shareholders representing at least 5% of the share capital.

Article 10) – Those entitled to participate in the Shareholders’ Meeting can have themselves represented by submitting a proxy drafted in line with the limits and by way of the procedures envisaged by the applicable regulations. The Company can also be notified of the proxy for participation in the Shareholders’ Meeting by sending the document to the email address indicated in the call notice.

Article 11) - The Shareholders’ Meeting is chaired by the Chairperson of the Board of Directors or, should the same be absent or incapacitated for any reason whatsoever, by the Vice-Chairperson; otherwise, the Shareholders’ Meeting will elect its own Chairperson. The Chairperson is assisted by a Secretary appointed by the Shareholders’ Meeting or by a Public Notary and, when deemed appropriate, by two scrutineers, also elected by the Shareholders’ Meeting.

The Chairperson of the Shareholders’ Meeting will be responsible for verifying that the Meeting is quorate, and the identity and right to participate of those present, moderating the discussion and verifying the results of the votes.

Article 12) - The resolutions of the Ordinary and Extraordinary Shareholders’ Meetings, both in the first and any subsequent calls, and if only subject to a single call, are only valid if passed with the presences and majorities established by the law.

Article 13) – When the law deems adequate the absolute majority of the votes in order to declare the resolutions valid, this is calculated without taking into account any abstentions.

MANAGEMENT

Article 14) - The Company is managed by a Board of Directors composed of from six and sixteen members; the Shareholders' Meeting, pursuant to Article 2380 bis of the Italian Civil Code, will determine the number of components therein.

The Directors cannot be appointed for any longer than three financial years and can be re-elected. Their office expires and they are re-elected or replaced in line with the legal provisions and those of the Articles of Association.

The Directors must have the requirements envisaged by the pro tempore law in force; a minimum of the number of Directors corresponding to the minimum envisaged by the above-mentioned legislation must have the requirements of independence as specified in Article 148, paragraph three of Italian Legislative Decree no.58/1998.

The loss of the requirements will result in the termination of the Director's office. The loss by a Director of the requirements of independence as defined above will not lead to the termination of their office if the requirements continue to be held by the minimum number of Directors required to have these in accordance with the legislation in force.

Article 15) The Board of Directors is appointed, in compliance with the pro tempore regulations in force regarding gender equality, based on lists presented by the Shareholders as detailed below, in which the names of the candidates are listed, each corresponding to a progressive number.

The lists presented by the shareholders, signed by those who present them must be deposited at the Company's legal office, and made available to anyone who requests to view them, at least twenty-five days prior to the date established for the Shareholders' Meeting in the first call and will be subject to the other forms of publication envisaged by the pro tempore law in force.

Each shareholder, the shareholders participating in a significant shareholders' agreement pursuant to Article 122 of Italian Legislative Decree 58/1998, the parent company, subsidiaries and those subject to joint control pursuant to Article 93 of Italian Legislative Decree 58/1998, cannot present or participate in the presentation, not even via an intermediary or a trust company, of more than one list, nor can they vote for different lists and each candidate can only present themselves in a single list, otherwise they will be considered ineligible. Any entries made in lists and votes cast in breach of this regulation will not be attributed to any lists.

In the list, it must be specified whether the individual candidate is being proposed for the office of statutory Auditor or alternative Auditor. The only Shareholders who can present lists are those who, either alone or together with others, account in total for the ownership of shares with voting rights representing 2.5% of the share capital with the right to vote in the Ordinary Shareholders' Meeting, or that represents the lower percentage that may have been established or referred to by mandatory provisions of the law or the regulations. Reference will also be made to this condition in the call notice.

Together with each list, within the terms indicated above, they must deposit, also in line with the provisions of the law in force (i) the statements in which the single candidates accept their proposal and certify, under their own responsibility that there

are no grounds for them to be deemed ineligible or incompatible, and that any specific requirements deemed mandatory for their respective offices exist; (ii) a curriculum vitae with the personal and professional characteristics of each candidate, if applicable, indicating the suitability of the same to be classed as independent.

With the term established by the applicable regulation for the publication of the lists by the Company, specific certificate issued by a legally qualified intermediary proving the ownership of the number of shares required for presenting the list at the time the latter is deposited with the Company must also be deposited.

Any lists that contain a total number of candidates equal to or exceeding three must be composed of candidates belonging to both genders so that a quota of candidates equal to that prescribed by the pro tempore legislation in force regarding gender equality in the composition of the Board of Directors belongs to the gender which is less well-represented.

Any lists for which the rules described above have not been respected are considered as if they had not been presented.

For the election of the Board of Directors the following procedure must be followed:

- a) all the Directors to be elected except one will be elected from the list that obtained the highest number of votes, in the progressive order in which they are listed;
- b) the remaining Director will be the candidate listed at no. 1 of the minority list, which must not be connected in any way, even indirectly with those who presented or voted for the list specified above under letter a), and which obtained the second highest number of votes. To this end, the lists which have failed to obtain a percentage of votes at least equal to half of those required for the presentation of the lists, as specified in the fourth paragraph of this Article, will not be taken into account.

For the purposes of the appointment of the Directors as described under point b) of the previous paragraph, in case of parity between the lists, the one presented by shareholders in possession of the largest shareholding or alternatively, the list with the highest number of shareholders will prevail. Should the election of the candidates performed using the above-indicated procedures, fail to result in the appointment of a number of Directors who hold the independence requirements established for the auditors in Article 148, paragraph three of Italian Legislative Decree no.58 of 28 February 1998, equal to the minimum number established by the law in relation to the total number of the Directors, any non-independent candidates elected last in the progressive order, in the list which has obtained the highest number of votes, as specified under letter a) of the paragraph above, will be replaced by the first independent candidate according to the progressive order, who has not been elected from the same list, or, if this is not possible, by the first independent candidate according to the progressive order, who has not been elected from the other lists, according to the number of votes obtained by each one. This replacement procedure will be used until Board of Directors is composed in a way that ensures the number of members in possession of the requirements specified in Article 148, paragraph three of Italian Legislative Decree no.58/1998 equal at least to the minimum required by law. Finally, should said procedure also fail to ensure the result indicated above, the replacement will be performed based on a resolution passed by the Shareholders' Meeting with relative majority, following the presentation of proposals for candidates in possession of the above-mentioned requirements.

Additionally, Should the election of the candidates performed using the above-indicated procedures, fail to ensure that the Board of Directors is composed in such a way as to comply with the pro tempore law in force regarding gender equality, the candidate of the gender which is better represented elected as the last in progressive order in the list that obtained the highest number of votes will be replaced by the first candidate of the other gender not elected from the same list according to the progressive order. This replacement procedure will be used until Board of Directors is composed in a way that complies with the pro tempore law in force regarding gender equality. Finally, should said procedure also fail to ensure the result indicated above, the replacement will be performed based on a resolution passed by the Shareholders' Meeting with relative majority, following the presentation of proposals for candidates of the gender which is less represented.

If only one list is presented, all the Directors to be elected will be taken from the same list; should no lists be presented, the Shareholders' Meeting will pass resolutions with the legal majority without complying with the above-envisaged procedure. The above is true without prejudice to the compliance of the procedures with the pro tempore laws in force regarding gender equality.

The above is also true without prejudice to any alternative and additional provisions set forth by the provisions of mandatory laws or regulations.

Article 16) – The compensations due to the Board of Directors are established by the Shareholders' Meeting for the entire period of office, or from financial year to financial year, also in the form of a share of the profits.

BOARD OF DIRECTORS

Article 17) If during any financial year one or more Directors passes away, provided the majority continues to be composed of Directors appointed by the Shareholders' Meeting, the procedure to be followed will be that specified pursuant to Article 2386 of the Italian Civil Code, in line with the details indicated below:

a) the Board of Directors will replace the Director from members of the same list to which the deceased Director belonged, without being bound by the numbering system in the list, and the Shareholders' Meeting will pass a resolution, with the legal majorities, respecting the same criterion;

b) should the above-mentioned list fail to contain any more candidates who have not been previously elected, or candidates with the requirements needed, or in any case when, for any reason whatsoever it is not possible to comply with the terms of letter a), the Board of Directors will make the replacement, as subsequently envisaged by the Shareholders' Meeting, with the legal majorities without voting for a list.

In any case, the Board and the Shareholders' Meeting will carry out the appointment in such a way as to ensure (i) the presence of the minimum total number of Directors required by the pro tempore laws in force and (ii) compliance with the pro tempore laws in force regarding gender equality.

Article 18) - Should the Shareholders' Meeting not have already done so, the Board will appoint a Chairperson from its members and, if necessary, a Vice-Chairperson. The Board will also appoint one or more Managing Directors from its members. The Chairperson will be invested with the powers envisaged by law; should he be absent

or incapacitated for any reason, these powers will be exercised by the Vice-Chairperson or, should the latter be absent or incapacitated, by the eldest Board Member.

Finally, the Board will appoint a Secretary who need not necessarily be a member of the Board.

Article 19) - The Board can meet both in the registered office and elsewhere, even abroad, each time the Chairperson or, should the latter be absent or incapacitated for any reason, the Vice-Chairperson, or otherwise the eldest Board Member deems it necessary or upon submission of a written request by the majority of the Directors to that effect, specifically indicating the items to be placed on the meeting agenda.

A meeting of the Board of Directors can also be convened, with prior notice served to the Chairperson, by at least one Auditor.

The Board Meeting is convened by sending notice in the form of a registered letter, fax or equivalent means, at least five free days prior to that on which the meeting is scheduled to each Director and each statutory Auditor, or in urgent cases, at least one day in advance.

The members of the Board of Directors may participate from a distance using audiovisual, videoconferencing or telephone system.

In such a case:

- the following conditions must always be ensured:
 - a) that all the participants at each point of the connection can be identified;
 - b) that each of the participants is able to participate, verbally express their opinions, view, receive or send any documentation and that the matters are examined and resolved upon at the same time;
- the meeting of the Board of Directors will be considered as having been held in the location which the Chairperson and the Secretary are both in attendance at the same time.

Article 20) - The Board of Directors is quorate and validly passes resolutions with the majority of the board members in office. The minutes are signed by the Chairperson and the Secretary.

Article 21) - The Board can establish, pursuant to Article 2389 of the Italian Civil Code, particular payments for any Directors invested with particular offices and for the members of the Executive Committee.

Article 22) - The Board of Directors is invested with the fullest powers for the administration and the ordinary and extraordinary management of the Company, with no exceptions whatsoever, and has the right to perform all the actions that it may deem appropriate for the implementation and fulfilment of the corporate purposes, with the sole exception of those for which the law mandatorily requires the Shareholders' Meeting to perform.

The Board of Directors will also be responsible for passing the resolutions concerning:

- merger, in the cases envisaged by Articles 2505 and 2505 bis of the Italian Civil Code;
- the establishment or closure of secondary offices;
- the indication of which Directors will represent the Company
- capital reductions in case of withdrawal of a Shareholder;
- the adaptation of the company's Articles of Association to fulfil the legal provisions in force;

- the transfer of the registered office to another municipality within Italy.

During the meetings and at least quarterly, the Board of Directors and the Board of Auditors will be informed by the Managing Directors, and also with reference to the subsidiaries, on the general progress of the management and its foreseeable development, on the most important operations performed in terms of size and characteristics, with a particular focus on the operations in which the Directors may have an interest, either on their own account or on behalf of third parties.

The Board of Auditors can also receive this information directly or during the meetings of the Executive Committee, for the sake of speed.

COMPANY SIGNING POWERS AND REPRESENTATION

Article 23) – The Company will be represented by the Chairperson of the Board of Directors or, should the former be absent or incapacitated, for any reason, by the Vice-Chairperson. The representative will have free signing powers for implementing all the resolutions passed by the Board, unless alternative decisions have been made.

Additionally, the Chairperson, or, should the former be absent or incapacitated, for any reason, the Vice-Chairperson will represent the Company in court, with the right to initiate legal and administrative proceedings on all levels of the justice system and also before courts of appeal and the High Court and to appoint lawyers and legal representatives for this purpose.

Article 24) - The Board can delegate all or part of its powers and duties to the Chairperson, the Vice-Chairperson and one or more Managing Directors and invest individual Directors of the Company's managers with special tasks, also conferring to them the right to delegate, establishing their responsibilities and powers in compliance with the law.

Should the Board fail to decide upon the responsibilities and powers of the Chairperson, Vice-Chairperson and Managing Directors, each one of the latter will have free signing powers and the power to represent the Company.

Article 25) - The Board can also delegate all or part of its powers to an Executive Committee composed of from three to ten members chosen from the Directors; the Board of Directors will be responsible for deciding the number of the same.

The Executive Committee can meet by way of video conference or by teleconference pursuant to Article 19.

The resolutions of the Executive Committee are valid when passed with the favourable vote of the majority of its members in office.

The Board can also establish special committees, also pursuant to Article 6 of Italian Legislative Decree no. 231 of 8 June 2001, as amended choosing the members of the same from its own members and establishing their powers. The two previous paragraphs will be applicable to these committees. The Board of Directors, subject to having heard the mandatory opinion of the Board of Auditors, will appoint and revoke the office of the Manager responsible for drawing up the company's accounting records, pursuant to Article 154 bis of Italian Legislative Decree 58/1998. The Manager responsible for drawing up the Company's accounting records must also have the requirements of integrity envisaged by the legislation in force for those who perform roles of management and direction roles, the requirements of professionalism characterised by specific skill in administrative and accounting matters. This skill, which must be verified by the above-mentioned Board of Directors, must have been

acquired through work experiences in positions of sufficient responsibility for a congruous period of time.

BOARD OF AUDITORS

Article 26) - The Shareholders' Meeting appoints the Board of Auditors composed of three statutory member and two alternative auditors who can be re-elected, calculating the payment due to the same. The powers, duties and term of office of the members are those established by law.

The Auditors must hold the requirements envisaged by the law in force including the provisions of a regulatory nature. Regarding the requirements of professionalism, the matters and sectors of activity closely connected to that of the company consist in the researching, production and trading of chemical and pharmaceutical products.

The minority can elect one statutory Auditor and one alternative Auditor. Unless otherwise mandatorily required by law, the Board of Auditors is appointed in line with the procedures described in the following paragraphs, from the lists presented by the Shareholders in which the names of the candidates are contained, each corresponding to a progressive number and in line with the pro tempore legislation in force regarding gender equality.

In the list, it must be specified whether the individual candidate is being proposed for the office of statutory Auditor or alternative Auditor. The only Shareholders who can present lists are those who, either alone or together with others, account in total for the ownership of shares with voting rights representing 2.5% of the share capital with the right to vote, or that represents the lower percentage that may have been established or referred to by mandatory provisions of the law or the regulations. Reference will also be made to this condition in the call notice.

Each shareholder, the shareholders participating in a significant shareholders' agreement pursuant to Article 122 of Italian Legislative Decree 58/1998, the parent company, subsidiaries and those subject to joint control pursuant to Article 93 of Italian Legislative Decree 58/1998, cannot present or participate in the presentation, not even via an intermediary or a trust company, of more than one list, nor can they vote for different lists and each candidate can only present themselves in a single list, otherwise they will be considered ineligible. Any entries made in lists and votes cast in breach of this regulation will not be attributed to any lists.

The lists presented must be deposited at the Company's legal office at least twenty-five days prior to the date established for the Shareholders' Meeting in the first call, without prejudice to any additional forms of publication envisaged by the pro tempore laws in force, including those of a regulatory nature.

Without prejudice to the compliance with all further procedural requirements prescribed by the laws in force, including those of a regulatory nature, together with each list, and within the term indicated above, the following elements must be deposited:

- a) information regarding the identity of the shareholders who have presented the lists, indicating the overall percentage share owned by the same;
- b) a statement by the shareholders other than those who hold, also jointly, a controlling share or relative majority, certifying the absence of any relationships of connection with the latter, as envisaged by the law in force, including the regulatory provisions;
- c) comprehensive information about the personal characteristics of the candidates and a declaration by the same certifying that they possess the requirements required by the law and that they accept their having being proposed.

Any lists that contain a total number of candidates equal to or exceeding three must be composed of candidates belonging to both genders so that a quota of candidates for the offices of Statutory Auditor and Alternative Auditor equal to that prescribed by the pro tempore legislation in force regarding gender equality in the composition of the Board of Auditors belongs to the gender which is less well-represented.

Any lists for which the rules described above have not been respected are considered as if they had not been presented.

The election of the Auditors will take place as follows:

1. two statutory auditors and one alternative auditor are elected from the list that obtained the highest number of votes in the Shareholders' Meeting, based on the progressive order in which they are listed in the sections of the list;
2. one statutory auditor, who will take the Chair of the Board of Auditors and one alternative auditor are elected from the list that obtained the second highest number of votes in the Shareholders' Meeting and who, in compliance with the regulations in force, are not connected, even indirectly, with those who presented the list or voted for the list that obtained the highest number of votes, based on the progressive order in which they are listed in the list.

For the purposes of appointing the Auditors as described above under point 2 of the previous paragraph, in case of parity between the lists, the one presented by shareholders in possession of the largest shareholding or alternatively, the list with the highest number of shareholders will prevail. Should the above-mentioned procedures fail to ensure that the Board of Auditors, in terms of its statutory members, is compliant with pro tempore law in force regarding gender equality, the necessary replacements will be made, choosing the replacements from the candidates for the office of statutory auditor in the list which has obtained the highest number of votes, in according to the progressive order with which the candidates are listed.

Should only one list be presented, all the candidates indicated therein for the offices of Statutory Auditor and Alternative Auditor will be elected to the respective offices and should no lists be respected, the candidates voted by the Shareholders' Meeting, will be elected, provided that they obtain the relative majority of the votes cast in the Shareholders' Meeting and without prejudice to the compliance with the pro tempore law in force regarding gender equality.

Loss of the Auditor's requirements established by the laws and Articles of Association, will lead to the termination of the office of the same.

Should an Auditor be replaced, the alternative Auditor belonging to the same list as the one whose office has been terminated will take over or, should this not be possible, in case of the termination of the minority auditor, the next candidate in the list to which the one whose office has been terminated or, alternatively, the first candidate in the minority list who won the second highest number of votes.

The Parties understand that the Board of Auditors will continue to be chaired by the minority Auditor and that the composition of the Board of Auditors must comply with the pro tempore regulations in force regarding gender equality. When the Shareholders' Meeting must appoint the statutory and/or alternative auditors required to be integrated with the Board of Auditors, the procedure is as follows: if the replacement concerns auditors elected in the majority list, the appointment will occur and the auditor will be elected by a relative majority vote, regardless of the list. Instead, should there be the need to replace auditors elected in the minority list, the Shareholders' Meeting will replace them with a relative majority vote, choosing them from the candidates indicated in the list to which the auditors to be replaced belonged or in the minority list that reported the second highest number of votes.

Should the application of these procedures fail for any reason to enable the replacement of the Auditors designated by the minority, the Shareholders' Meeting will vote, with a relative majority, following the presentation of proposals for candidates by shareholders who, alone, or together with other, have a total shareholding with voting rights that account for at least the percentage cited above in relation to the procedure for the presentation of the lists. However, in verifying the results of this vote, no account will be taken of the votes of shareholders who, according to the communications rendered pursuant to the law in force, have, even indirectly, or also jointly with other shareholders in significant shareholders' agreement pursuant to Article 122 of Italian Legislative Decree 58/1998, the relative majority of the votes that can be cast in the Shareholders' Meeting, and those of the shareholders who control, are controlled by or are subject to the joint control of the same.

The replacement procedures described in the paragraphs above must, in any case, ensure the compliance with the law in force regarding gender equality.

The members of the Board of Auditors may participate from a distance using audiovisual, videoconferencing or telephone systems.

In such a case:

- the following conditions must always be ensured:
 - a) that all the participants at each point of the connection can be identified;
 - b) that each of the participants is able to participate, verbally express their opinions, view, receive or send any documentation and that the matters are examined and resolved upon at the same time;
- the meeting of the Board of Auditors will be considered as having been held in the location which the Chairperson and the Secretary are both in attendance at the same time.

The accounts will be independently audited by an external auditing company, based on the applicable law in force.

FINANCIAL STATEMENT AND PROFITS

Article 27) – The financial year of the Company will end on 31 December of every year.

At the end of each financial year, the Board will draft the company's financial statement, with the relative profit and loss account, as legally required.

Article 28) – The net profits of the financial statement will be assigned as follows:

- (a) 5% (five per cent) to the legal reserve fund, up to the legal limits;
- (b) the remainder, unless the Shareholders' Meeting, upon the Board's proposal, passes a resolution to make special withdrawals to be destined for extraordinary reserve funds or other uses, or resolves to assign all or part of it to the subsequent financial years, will be assigned to all the shares.

Article 29) - The Board of Directors can resolve to pay advances on dividends within the limits and by way of the procedures established by the law.

Article 30) – The dividends will be paid by way of the procedures, in the places and under the terms and conditions established by the Shareholders' Meeting or, in the absence of the latter, by the Board of Directors.

Article 31) - Any dividends not collected by the end of the five-year period following the day on which they became payable, are prescribed in favour of the Company and

are assigned to the extraordinary reserve fund.

TERMINATION

Article 32) – Should the Company be terminated at any time and for any reason envisaged by the law, the Shareholders' Meeting will appoint the liquidators and establish the criteria for executing the liquidation procedure pursuant to the terms of Article 2487 of the Italian Civil Code

WITHDRAWAL

Article 33) –The Shareholders are only entitled to withdraw from the Company in cases in which said right is mandatorily envisaged by the law. No right of withdrawal will be granted to Shareholders who have not agreed to approve the resolutions regarding the extension of the duration of the Company and the introduction, amendment or removal of restrictions on how the shares circulate.

Signed Andrea De Costa, notary public