

DIRECTORS' REPORT ON THE PROPOSALS ON THE AGENDA OF THE ORDINARY GENERAL MEETING OF THE SHAREHOLDERS

(17TH APRIL 2013 SINGLE CALL)

Report on item 5 on the agenda

5. Appointment of a new Director after first changing the number of directors. Relative and consequent resolutions.

To Our Shareholders,

With regard to item 5 on the agenda, you are called to the Shareholders' Meeting to examine and approve a proposal relating to an increase in the number of members of the Board of Directors from the current 10 to 11 members and to the appointment at the same time of a new board member and to setting the remuneration for him.

This proposal was formulated by the Board of Directors, following considerations made when addressing compliance with the Corporate Governance Code for listed companies (2011 edition), on the basis of a recommendation from the Audit and Risk Committee, in order to allow *Dott.* Fritz Squindo, who currently occupies the position of General Manager for the Co-ordination of Operations, to become a member of the Board of Directors.

In addition to further increasing the expertise of the Board of Directors, the appointment of *Dott.* Squindo will allow the Board of Directors to appoint *Dott.* Squindo as the director responsible for establishing and maintaining the internal control and risk management system in accordance with the Corporate Governance Code for listed companies, a role that the Board of Directors has currently assigned to *Ing.* Giovanni Recordati, who occupies the positions on the Board of Chairman and Chief Executive Officer of the Company.

The following is attached to this report:

- a) a curriculum vitae of *dott.* Fritz Squindo containing full information on his personal and professional characteristics;
- b) declarations by which *Dott.* Squindo accepts his candidature and states under his own responsibility that no causes provided for by law for his ineligibility and incompatibility exist.

It will be recalled that the current Board of Directors, composed as just mentioned of 10 members, was appointed by a Shareholders' Meeting of 13th April 2011 and its term of office expires with the approval of the 2013 Annual Report. It will also be recalled that the Corporate By-Laws of the Company (Art. 14) state that the "the Company shall be managed by a Board of Directors composed of six to sixteen members: the Meeting shall determine their number".

It is also pointed out that the preparation of lists is not necessary for the election of a only one new director and therefore the appointment of the new director shall take place by means of a majority vote.

The new director shall remain in office until the date of the expiry of the mandate for all members of the Board of Directors and that is until the approval of the annual report for the year ending 31st December 2013.

Finally, the Board of Directors submits a proposal that the remuneration set for the new director that will be appointed shall be the same as that for the other directors in office, which is €40,000 gross per annum.

We therefore invite the Shareholders' Meeting to appoint *dott.* Fritz Squindo as a new director, after first changing the number of members of the Board of Directors from the current 10 to 11 members.

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Milan, 14th March 2013

on behalf of the Board of Directors
the Chairman and Chief Executive Officer
Ing. Giovanni Recordati

FRITZ SQUINDO

Fritz Squindo was born in Gressoney St. Jean (Aosta, Italy) on May 19th, 1956 and he graduated "*cum laude*" in Economics at the Bocconi University in Milan, Italy.

He started his career in 1981 in TELETTRA S.p.A., a telecommunications company within the FIAT Group, where he was employed in the finance department.

In 1986 he joined SANOFI S.p.A., the Italian subsidiary of the French pharmaceutical group SANOFI, where he was first Head of Finance and, as from 1990, Head of Management Accounting.

In 1992 he joined RECORDATI S.p.A. as Head of the Management Accounting Department. In 1995 he became Chief Financial Officer and in 2008 General Manager for the Coordination of Group Operations as well.

Dott. Squindo is part of the managing bodies of several Recordati Group companies.

DECLARATION OF ACCEPTANCE OF THE CANDIDATURE FOR THE APPOINTMENT OF DIRECTOR

The undersigned Fritz Squindo, born in Gressoney (Aosta - Italy) on 19.05.1956, Italian Fiscal code SQNFTZ56E19E168P, with reference to the fact that his name has been proposed by the Board of Directors for the appointment of Director of Recordati S.p.A. within the Directors' Report on point 5 of the agenda of the Shareholders Meeting convened for April 17, 2013, the sole convocation date, "appointment of a new director after first changing the number of directors. Relative and consequent resolutions", and in compliance with the Company's By-laws and with the applicable law:

- declares to accept his candidature for the appointment as Recordati S.p.A's Director;
- certifies, under his responsibility, the inexistence of ineligibility and incompatibility causes in order to be appointed as Directors;
- undertakes to inform any subsequent amendment to the information hereby provided;
- authorize to public the data and information included in the curriculum vitae.

Milan, 15 March 2013

Fritz Squindo
(signed on the original)