

This document is a courtesy translation into English of the Policy on qualitative and quantitative criteria. In any case of discrepancies between the English and the Italian version, the Italian version shall prevail.

RECORDATI S.P.A.

**POLICY ON QUALITATIVE AND QUANTITATIVE CRITERIA
FOR THE PURPOSES OF ASSESSING INDEPENDENCE REQUIREMENTS
PURSUANT TO RECOMMENDATION 7, FIRST PERIOD, POINTS (C) AND (D), IN ARTICLE 2
OF THE CORPORATE GOVERNANCE CODE**

Approved by the Board of Directors of Recordati S.p.A. on 28th October 2021.

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PREMISE

The Recommendation 7, first period, in Article 2 of the Corporate Governance Code of the listed companies adopted by the Corporate Governance Committee on January 2020 (the “**Code**”), to which Recordati S.p.A. (“**Recordati**” or the “**Company**”) adheres to, among the circumstances which compromise, or appear to compromise, the independence of a Director or Statutory Auditor, indicates the following:

- (i) *“if he or she has, or had in the previous three financial years, a significant commercial, financial or professional relationship, directly or indirectly (for example through subsidiaries, or through companies of which he or she is an executive director, or as a partner of a professional or a consulting firm):*
 - *with the company or its subsidiaries, or with their executive directors or top management;*
 - *with a subject who, also together with others through a shareholders’ agreement, controls the company; or, if the control is held by a company or another entity, with its executive directors or top management¹; and*
- (ii) *“if he or she receives, or received in the previous three financial years, from the company, one of its subsidiaries or the parent company, significant remuneration other than the fixed remuneration for the position held within the board and for the membership in the committees recommended by the Code or required by law”².*

For the purpose of implementing the above provisions, the Board of Directors of Recordati, with the support of the Remuneration and Nominations Committee, defined the following quantitative and qualitative criteria to evaluate the significance of the relations, including the financial ones, which may compromise the independence of its members (the “**Significance Criteria**” or the “**Criteria**”).

In the definition of the Significance Criteria, the Board of Director took into account, *inter alia*, the recommendations provided by the Code and the clarifications provided by the collection “*Q&A for the application of the Corporate Governance Code - 2020 edition*” available on the website of the Corporate Governance Committee (the “**Q&A**”).

Please note that the following Criteria will be implemented as from the assessment of the independence of Company’s Directors which will be appointed by the Shareholders’ Meeting called for the approval of the financial statements as of December 31st, 2021.

1. QUANTITATIVE CRITERIA

¹ Recommendation 7, first period, lett. c), of the Code.

² Recommendation 7, first period, lett. d), of the Code.

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1.1. Significance of commercial, financial or professional relations

With reference to the quantitative criteria, relations of a commercial, financial or professional nature which the Director - whose independence is being assessed - carries on or carried on during the financial year on which the declaration of independence is made or in the three financial years preceding the date on which such declaration³ is made (the “**Reference Period**”) with the following persons, are relevant (jointly, the “**Relevant Persons**”):

- (i) the Company, its subsidiaries, the person who controls the Company⁴ and the company subject to a joint control;
- (ii) the relevant executive Directors⁵ or the top management⁶.

The aforementioned relations with the Relevant Persons are generally considered to be significant – and therefore such to compromise the Director’s independence – if they provided, individually or cumulatively considered, an annual economic consideration greater than Euro 50,000.00

³ By way of example, it should be considered the case in which the Director makes his/her declaration of independence on March 15th, 2022 and takes position as a Director of Recordati in April 2022; in such case:

- (i) for the purposes of the independence assessment of such Director, the relations eventually carried on by the Director himself/herself with the Relevant Persons during the financial years 2021, 2020 and 2019, as well as during the period between January 1st, 2022 and March 15th, 2022 shall be considered, in addition to any existing relations;
- (ii) it is understood that the Director shall be required to promptly inform the Company’s Board of Directors of any relations he/she may have with Relevant Persons after the date on which he/she made his/her declaration of independence (in the example at hand, March 15th, 2022), providing all the elements necessary for a full assessment by the Board itself.

⁴ As specified in the Code, control exercised “*together with others through a shareholders’ agreement*” is also relevant (please see Recommendation 7, first period, lett. c) of the Code).

⁵ “Executive directors” means (see definition in the Code):

- (i) the chair of the Company or a subsidiary with strategic importance, when delegated to manage or develop corporate strategies;
- (ii) directors who are recipients of managerial powers and/or hold managerial positions in the company or in a subsidiary with strategic importance, or in the parent company when the position also concerns the Company;
- (iii) directors who are part of the Company’s executive committee (if provided).

⁶ “Top management” means “*senior managers who are not members of the board of directors and have the power and responsibility for planning, directing and controlling the activities of the company and the group it heads*” (please see definition of the Code). With reference to Recordati S.p.A. top management means those who are individuated as executives with strategic responsibilities pursuant to current legislation on Related Parties and Remuneration Policy (“key management personnel”).

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(fiftythousand)⁷.

Please note that, for the purpose of the above, the relations between the Relevant Persons and Director's close family member, who are identified in the (i) parents, (ii) sons, (iii) the spouse not legally separated and (iv) the cohabitants (each of them, the "**Close Family Member**") are also relevant.

It is also specified that, if the relations with the Relevant Persons are entertained indirectly by the Director – *i.e.*, through subsidiaries or company of which he/she is an executive Director, or as a partner of a professional firm or consultancy firm – the relations existing or carried on during the Reference Period which provided, individually or cumulatively considered, an annual economic consideration greater than Euro 100,000.00 (onehundredthousand) are generally considered to be significant.

It is understood that – notwithstanding the above – in the event that the relations with the Relevant Persons are entertained by the Director indirectly through a legal entity which has been established or used *ad hoc* for the purpose of establishing such relations, the above quantitative limits applicable in the event of relations entertained directly by the Director shall apply (*i.e.* the limit of annual Euro 50,000.00).

1.2. Significance of additional remuneration

With particular reference to the remuneration received by the Director, included the one received in the Reference Period⁸, the sum of any additional remuneration paid to the latter for professional appointments or consultancy - other than the fixed remuneration for the position held⁹ and the

⁷ Such amount is lower than the current annual remuneration paid by the Company for the position of non-executive Director.

⁸ By way of example, it should be considered the case in which the Director make his/her independence declaration on March 15th, 2022 and takes position as a Director of Recordati in April 2022; in such case:

- (i) for the purposes of the independence assessment of such Director, the remuneration if any, received by him/her during the financial years 2021, 2020 and 2019, as well as during the period between 1 January 2022 and 15 March 2022, in addition to any compensation granted to the Director himself/herself;
- (ii) it is understood that the Director shall be required to promptly inform the Company's Board of Directors of any remuneration that he/she may receive from the aforementioned persons after the date on which he/she made his/her declaration of independence (in the example at hand, March 15th, 2022), providing all the elements necessary for a full assessment by the Board itself.

⁹ "Fixed remuneration for the position held" means (please see Q&A Recommendation 7, lett. d)): (i) the remuneration determined by the Shareholders' Meeting for all Directors or determined by the Board of Directors for all non-executive Directors within the total amount decided by the Shareholders' Meeting for the whole Board of Directors; (ii) any remuneration granted by reason of the particular position held by the individual non-executive Director within the Board of Directors, determined according to the best practices provided for by Recommendation 25 of the Code.

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remuneration for the membership in committees¹⁰ (or bodies) recommended by the Code or provided for by the law in force - by the following entities is relevant:

- (i) by the Company,
- (ii) by its subsidiary, and/or
- (iii) by the parent company, also indirectly.

The remuneration received by the Director in the form of participation in incentive plans linked to company performance is also relevant for this purpose.

Additional remuneration should normally be considered significant - and thus that can compromise the independence of the Director involved – if, individually or cumulatively considered, is, during the Reference Period, greater than annual Euro 50,000.00 (fiftythousand)¹¹.

It should be noted that being a Close Family Member of a person in one of the situations referred to in this Article 1.2 also constitutes a circumstance likely to compromise the Director's independence.

2. QUALITATIVE CRITERIA

2.1. Professional relations

If the Director is also a partner of a professional firm or of a consulting company, the professional relations of the firm and/or of the consulting company with the Relevant Persons shall also be qualified as significant, regardless of the quantitative parameters set out in paragraph 1.1 above. In this regard are relevant the relations that:

- a) may have an effect on his/her position and role within the professional firm or the consulting firm; or
- b) in any case relate to important transactions of the Company and of the group it heads¹².

The significance of the aforementioned relations is assessed taking into account the overall professional activity normally exercised by the Director, the tasks normally entrusted to him, as well as the relevance that such relations may have for the Director in terms of reputation within his

On the contrary, the remuneration received by the Director of the Company for his positions in the parent company or in the subsidiary is considered as “additional remuneration” and is therefore assessed in its “significance”.

¹⁰ “Remuneration for the membership in the committees” means (please see Q&A Recommendation 7, lett. d)) the remuneration that the individual Director receives by reason of his participation in the internal committees recommended by the Code or in committees/bodies provided for by the regulations in force, with the exclusion of the remuneration deriving from membership of the executive committee, if any.

¹¹ Such amount is lower than the current annual remuneration paid for the position of non-executive Director.

¹² Recommendation 7, second period of the Code.

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organisation.

2.2. Other relations

For the purpose of the assessment of the relations' significance between the Director and the Relevant Persons, the Board of Directors may take into account, in relation to the specific situations of each Director – such as position, individual characteristics and overall professional activity – any further elements deemed useful and/or appropriate, adopting additional and/or partially different criteria from those set out above that give preference to substance over form.

In particular, the Board of Directors, giving appropriate reasons for the decision:

- (i) may take into account also the relations that, even if without financial content and character or not economically significant, are particularly relevant to the prestige of the Director involved or such as to affect in concrete terms his independence and autonomy of judgment;
- (ii) may assess, on the basis of the concrete circumstances, the existence and/or maintenance of the independence requirements of a Director even in the presence of one of these Significance Criteria.