

OVS

OVS S.p.A.

Registered office in Venice – Mestre (Italy), Via Terraglio, no. 17

Share capital Euro 227.000.000,00 fully paid-up

Companies' Register of Venice (Italy), taxpayer's code and VAT no. 04240010274 - REA no. VE -
378007

Website: www.ovscorporate.it.

**OVS S.p.A. Board of Directors explanatory report on third item of the agenda of
the ordinary part
of the ordinary and extraordinary Shareholders' meeting called for May 26, 2015, in
single call.**

Item no. 3 of the ordinary part of the agenda

STOCK OPTION PLAN CONCERNING ORDINARY SHARES OF OVS S.P.A. NAMED “*STOCK OPTION PLAN 2015 – 2020*”, TO BE RESERVED TO DIRECTORS WHO ARE ALSO EMPLOYEES, MANAGERS WITH STRATEGIC RESPONSIBILITIES AND/OR THE OTHER EMPLOYEES OF OVS S.P.A. AND OF THE COMPANIES CONTROLLED BY IT PURSUANT TO ARTICLE 93 OF THE LEGISLATIVE DECREE NO. 58/1998. RELATED RELEVANT RESOLUTIONS.

Dear Shareholders,

The Board of Directors has convened for an ordinary shareholders’ meeting to submit to your approval, pursuant to Article 114-bis of Legislative Decree February 24, 1998 no. 58 as subsequently amended and integrated (“**TUF**”), an incentivisation and loyalty plan named “Stock Option Plan 2015 – 2020” (the “**Plan**”) reserved to directors who are also employees, managers with strategic responsibilities and/or the other employees of OVS S.p.A. (“**OVS**” or the “**Company**”) and of the companies controlled by the same pursuant to Article 93 of TUF (the “**Subsidiaries**”), to be implemented, upon prior granting to the Board of Directors of a proxy to proceed with a paid divisible share capital increase pursuant to Article 2443 of the Italian Civil Code (the “**Proxy**”), with the exclusion of the option right pursuant to Article 2441, paragraph 8, of the Italian Civil Code, for an overall maximum amount of nominal Euro 35,000,000.00, through the issuing of maximum no. 5,107,500 OVS ordinary shares of new issuance, also in more tranches, reserved to the beneficiaries of the “Stock Option Plan 2015 – 2020” (the “**Capital Increase**”).

The proposal concerning the granting of the Proxy, described according to a proper report drafted pursuant to Article 72 of the of Consob's resolution n. 11971 of May 14, 1999, as amended and integrated (the “**Issuers’ Regulation**”), will be submitted to the examination and approval as item 1 of the extraordinary part of the agenda by the shareholders’ meeting on May 26, 2015 (the “**Extraordinary Meeting**”).

The terms and conditions of the Proxy are described according to a proper report drafted pursuant to Article 72 and Schedule 3A of the Issuers’ Regulation, that will be made publicly available through publication on the Company’s website www.ovscorporate.it, under Section “*Governance/Shareholders’ Meeting*”, as well as on the authorised document platform “1Info”, at least 21 days prior to the scheduled date of the meeting.

For further information relating to the Proxy, reference is made to the abovementioned report and to what synthetically described under the following point 2.

The information document relating to the Plan, drafted pursuant to Article 84-*bis* and Schedule 3A of the Issuers’ Regulation, will be made publicly available pursuant to the law and may be consulted on the website of the Company www.ovscorporate.it,

under Section “*Governance/Shareholders’ Meeting*”, along with this report.

1) Reasons for the adoption of the Plan

The Company, in accordance with the market practices for listed companies, believes that the Plan represents a powerful incentive and loyalty tool for the people covering strategic and key positions for the success and for the employees of OVS and its Subsidiaries and that it allows not only to maintain and improve a high level of performance, but also to increase the value of the Company for its shareholders.

The Plan is developed according to a timeframe considered adequate so as to attain the incentive and loyalty objectives described therein.

The adoption of compensation plans based on shares is in compliance with the provisions of Article 6 of the Corporate Governance Code for listed companies promoted by Borsa Italiana S.p.A., according to which these plans ensure the line-up of the interests of executive directors and managers vested with strategic responsibilities in listed companies and of the interests of the shareholders, while pursuing the main objective of value creation over the medium-long term.

2) Purpose and ways of implementation of the Plan

The Plan provides for the overall free attribution, to each of the beneficiaries indicated pursuant to point 3 below, of no. 5,107,500 options (the “**Options**”) maximum, which give the right to subscribe or purchase OVS ordinary shares in the ratio of no. 1 share per each Option exercised.

The Plan provides for several cycles of attribution: the first cycle of attribution will run from the date of adoption of the Plan until December 31, 2015, as well as the further cycles of attribution established time by time by the Board of Directors, upon prior consultation with the Appointments and Remuneration Committee, within 31 March, 2020.

As indicated above the Plan will be implemented, upon prior approval by the Extraordinary Shareholders’ Meeting, through the granting to the Board of Directors of a proxy to proceed with a paid divisible share capital increase, with the exclusion of the option right pursuant to Article 2441, paragraph 8, of the Italian Civil Code, for an overall maximum amount of nominal Euro 35,000,000.00, through the issuance of a maximum of no. 5,107,500 ordinary shares with no par value, having the same features of the ordinary shares outstanding at the issue date, with regular enjoyment, for the subscription by the beneficiaries of the stock option plan named “Stock Option Plan 2015 – 2020”.

The Company shall deliver to the beneficiary the due OVS ordinary shares further to the exercise of the Options according to the terms and ways that will be determined in the regulation of the Plan.

The ordinary shares of the Company attributed to the beneficiary further to the exercise of the Options will have regular enjoyment, as the Company’s ordinary shares in circulation as of the date of attribution, and will be therefore provided with current

coupons as of such date.

It is without prejudice for the power of the Board of Directors, upon prior consultation with the Appointments and Remuneration Committee, to use as shares to service the exercise of the Options the shares that the Company may hold and purchased in the framework of the buy-back programmes resolved upon and implemented in accordance with applicable laws.

For further information concerning the plan, reference is made to the relevant information document, drafted pursuant to Article 84-*bis* and Schedule 3A of the Issuers' Regulation, that will be made publicly available pursuant to the law and may be consulted on the website of the Company www.ovscorporate.it, under Section “*Governance/Shareholders' Meeting*”, along with this report.

3) Beneficiaries of the Plan

The Plan is reserved to those directors who are also employees, managers with strategic responsibilities and/or to the other employees of OVS and/or its Subsidiaries, as identified by the bodies in charge of the Plan's implementation, after having heard the opinion of the Appointments and Remuneration Committee.

The number of Options to be assigned to each beneficiary is determined, considering all the aforementioned criteria, by evaluating the strategic significance of each beneficiary with the aim to create new value, in consideration of their professional capabilities and potentialities, their ability to contribute to the development of the corporate business, their experience and competence, as well as the significance of their role within the organizational context and the loyalty issues related thereto.

4) Methods and clauses for the implementation of the Plan, with particular regard to its duration and to the conditions for the exercise of the Options

The Plan will end on June 8, 2025 and provides for a three-year vesting period for the Options attributed to the beneficiaries. Each beneficiary may exercise the Options assigned provided that certain annual performance objectives connected to consolidated EBITDA of OVS have been attained.

Pursuant to the Plan, the beneficiaries are not allowed to exercise the Options in the fifteen calendar days before the approval of the Board of Directors of the Company's draft financial statements and consolidated financial statements, of the six-monthly financial report, and of the management intermediate report relating to the first and to the third quarter of the financial year.

The Board of Directors, after having heard the Appointments and Remuneration Committee, may as well provide for further lock-up periods in respect of the exercise of the Options, or amending the terms of this paragraph in case of significant legislative or regulatory amendments.

As essential condition to benefit from the Plan, the existence and the maintenance of a directorship and/or employment relationship between the beneficiaries and the Company and its Subsidiaries (the “**Relationship**”) is unavoidable. The termination of

the Relationship in the cases contemplated by the Plan affects the exercise of the Options, determining the extinction of the Options, according to the ways, terms and conditions set forth in the regulation of the Plan.

The Plan also provides for the possibility both to carry on the participation to the Plan or - without prejudice any possible different contractual proposal formulated by the subject that will acquire the control - to early exercise the Options in the event a change of control occurs. A “*change of control*” will be deemed to occur if a single subject or several subjects acting together (other than Gruppo Coin S.p.A. and/or the funds advised and managed by the BC European Capital Funds, CIE Management II Limited and/or any other entity controlled by the same), either directly or indirectly, acquires a shareholding in the share capital of OVS as a consequence of which:

- (i) an obligation to promote a mandatory public offer of purchase concerning the ordinary shares of the issuer pursuant to the TUF arises on the account of such subject; or
- (ii) such subject (or subjects) appoints or dismisses all the Issuer’s directors or the majority of the same.

5) **Any support of the plan through the special Fund for incentivizing the participation of workers in enterprises, as per Article 4, paragraph 112 of the Law of 24 December 2003, No. 350**

The Plan will not receive any support from the special Fund for incentivizing the participation of workers in enterprises, as per Article 4, paragraph 112 of the Law of 24 December 2003, No. 350.

6) **Criteria for the determination of the price of exercise of the shares serving the Plan**

With regard to each beneficiary in the framework of the first cycle of attribution of the Options of the Plan, the price of exercise of the shares is equal to Euro 4.88 per share. The price of exercise for the first cycle of attribution of the Options, determined by the Board of Directors of the Company on April 22, 2015, after having heard the opinion of the Appointments and Remuneration Committee, is equal to the final unitary price to which the OVS shares have been placed in the framework of the global offering aimed at the listing of the OVS shares on the Electronic Stock Market organised and managed by Borsa Italiana S.p.A. (“**MTA**”), occurred between February 16, 2015 and February 24, 2015, composed of an offering to the general public in Italy and of an institutional placement reserved to qualified investors in Italy and institutional investors abroad, occurred starting from March 2, 2015, equal to Euro 4.10 per each OVS share concerned by the global offering, increased of 19.1%.

With regard to each cycle of attribution following the first cycle of attribution, the price of exercise of the shares will be determined by the Board of Directors of the Company, after having heard the opinion of the Appointments and Remuneration Committee, in a measure at least equal to the arithmetic average of the official prices registered by OVS

title on the MTA in the thirty days preceding the date of attribution of the Options to the beneficiaries.

7) **Limits to the transfer of the Options**

The attribution of the Options is made on an individual basis and the Options and all the rights incorporated therein are strictly personal, nominative, non-transferable *inter vivos* and non-tradable and therefore not distrainable and not usable in relation to debts or contracts assumed by each of the beneficiaries vis-à-vis OVS and/or the Subsidiaries.

Beneficiaries that are executive directors or managers with strategic responsibilities, as identified by the Board of Directors, shall not transfer, for at least 12 months from the exercise date, a number of Shares at least equal to 20% of the shares subscribed or purchased by virtue of the Options exercised, net of shares transferable for the payment of (a) exercise price of Options, and (b) taxes, providential and welfare charges, if due, connected to the Options exercise. Beneficiaries that are executive directors, pursuant to the recommendations of the Corporate Governance Code for listed companies promoted by Borsa Italiana S.p.A. shall not transfer, even after the expiration of the lock-up period above, until the expiration of their office a number of shares at least equal to 20% of the total amount of the non-transferable shares pursuant to the regulation of the Plan.

Furthermore, the Plan provides clauses concerning revocation and restitution.

In particular the Plan envisages that in the event the Board of Directors, upon prior consultation with the Appointments and Remuneration Committee, positively assesses – within the term of 3 years from the initial date of exercise – that performance objectives have been determined on the basis of uncorrected data or should a judgment at first instance certified on the account of the beneficiary one of the following events attributable to the beneficiary fraudulent or severally faulted behaviours to the detriment of the Company, causing relevant financial damages to the Company or without which the performance objectives would have not been reached, the Board of Directors, after having heard the Appointments and Remuneration Committee, keeps the right to obtain from the beneficiary who caused one of such acts and/or facts, the revocation of the exercisable Options, or the restitution of the shares held by the beneficiary, after having deducted a number of shares having a value corresponding to the price of exercise of the Options and to taxes, providential and welfare charges connected with the exercise of the Options effectively paid, or the restitution of the sale value (after having deducted the amount corresponding to the price of exercise of the Options and to taxes, providential and welfare charges connected with the exercise of the Options, possibly by means of set-off with compensations and/or end of relationship rights of the beneficiary), in the event the shares of the beneficiary had already been sold.

* * *

Dear Shareholders,

in the light of the above, the Board of Directors proposes the passing of the following resolutions:

“The Shareholders’ Meeting of OVS S.p.A.:

- *having examined the Board of Directors explanatory report, pursuant to Articles 114-bis and 125-ter of Legislative Decree February 24, 1998, no. 58, and subsequent amendments;*
- *having examined the information document prepared pursuant to Article 84-bis of Consob's resolution n. 11971 of May 14, 1999, as amended and integrated*

resolves

- *to approve, pursuant to and to the effects of Article 114-bis of Legislative Decree no. 58/1998, the adoption of the stock option plan named “Stock Option Plan 2015 – 2020” having the features (including conditions and implementation requirements) indicated in the report of the Board of Directors and in the information document concerning “Stock Option Plan 2015 – 2020”;*
- *to grant a mandate to the Board of Directors, including through proxies, any power deemed to be necessary or merely opportune for implementing the “Stock Option Plan 2015 - 2020” (also by using as shares to service the exercise of the options the treasury shares that the Company may hold), including but not limited to, any power to prepare, adopt the implementing regulation of the plan, as well as amend and/or integrate the same, identify the beneficiaries and determining the amount of options to be assigned to each of them, proceed with assignments to the beneficiaries, determine the price of exercise, as well as carry out any act, fulfilment, formality, notice required or merely opportune to the management and/or implementation of the plan, with faculty to delegate its powers, duties and responsibilities regarding the execution and implementation of the plan to the Chairman of the Board of Directors, it being understood that any decision relating and/or pertaining to the possible attribution of the options to the Chairman as beneficiary (as well as any other decision relating and/or pertaining to the management and/or implementation of the plan towards him) shall be within the exclusive competence of the Board of Directors;*
- *to grant to the Chairman of the Board of Directors any power, including through proxies, to carry out legislative and regulatory fulfilments following the adoption of the resolutions”.*

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Venice – Mestre (Italy), April 24, 2015

On behalf of the Board of Directors

The Chairman
Nicholas Stathopoulos