



OVS S.p.A.

*Registered office at Via Terraglio 17, Venezia – Mestre (Italy) - fully-paid share capital Euro 227,000,000.00
Venezia Companies Register, tax code and VAT no. 04240010274 - REA no. 378007*

Traditional model of management and control

Corporate website: www.ovscorporate.it

**REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURES
PURSUANT TO ARTICLE 123–bis OF THE TUF
FOR FINANCIAL YEAR AS AT JANUARY 31, 2017**

Issuer: OVS S.p.A.

Web site: www.ovscorporate.it

Financial Year 2017 (ending on January 31, 2018)

Approved by the Board of Directors on April 18, 2018

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GLOSSARY

In addition to the definitions included in this report, the following terms have the meanings shown below:

Board/Board of Directors: the Board of Directors of OVS.

Board of Statutory Auditors: the Board of Statutory Auditors of OVS.

Civil Code: the Italian civil code.

Consob Issuers' Regulation / IR: the Regulation issued by Consob by way of Resolution no. 11971 of 1999 (as further amended) on issuers.

Consob Market Rules: the Regulation on markets issued by Consob by means of Resolution no. 20249 of 2017 (as further amended).

Consob Related Party Transactions Regulation/RPT Regulation: the regulation issued by Consob by way of Resolution no. 17221 of 12 March 2010 (as further amended) on related party transactions.

Consolidated Finance Law/TUF: Legislative Decree no. 58 of 24 February 1998 as further amended (Consolidated Law on Financial Intermediation).

Corporate Governance Code / Code: the Corporate Governance Code for listed companies approved in July 2014 by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria.

Date of the Report: the date of the approval of this report by the Board of Directors of OVS, April 18, 2018.

First Day of Negotiations: March 2, 2015, the date of the beginning of the negotiation of the ordinary shares of the Company on the Official List (*Mercato Telematico Azionario*) of Borsa Italiana S.p.A..

OVS Group or Group: Collectively the Issuer and the companies directly or indirectly controlled by the Issuer pursuant to article 93 of the TUF.

Report: the report on corporate governance and ownership structures which the Company is required to prepare pursuant to article 123-*bis* of the TUF and in accordance with the Corporate Governance Code.

Shareholders' Meeting: the general meeting of the shareholders of OVS.

PREMISSES

With a view to the admission of its shares to trading on the Official List of Borsa Italiana S.p.A., on March 2, 2015, at that date the Company has taken the *status* of a listed company pursuant to article 119 of TUF the Company, OVS S.p.A. (“**OVS**” or the “**Company**”) adapted its corporate governance system to comply with the relevant recommendations applicable to the issuers in compliance with the TUF and with the Corporate Governance Code.

Pursuant to the applicable law and regulation, as well as the Instructions of the Market Regulations of Borsa Italiana S.p.A., the Company draw up this Report to illustrate, to the shareholders and the public, the system of corporate governance that the Company has adopted since the First Day of Negotiations and to provide information on its ownership structures. This Report gives information on the main significant changes happened until the date of this Report.

It is specified that this Report was drawn up taking into consideration the “*Format per la relazione sul governo societario e gli assetti proprietari*” (January 2018 version).

This Report was approved by the Board of Directors of the Company on April 18, 2018, it is made available to the public on the OVS web site www.ovscorporate.it Section Governance/Shareholders' Meeting.

1. PROFILE OF THE ISSUER

OVS S.p.A. (“**OVS**” or the “**Issuer**” as well as the “**Company**”) is a joint stock company with shares listed on the Official List (*Mercato Telematico Azionario*) of Borsa Italiana Sp.A. since March 2, 2015 (“**First Day of Negotiations**”).

The OVS Group is the market leading value fashion retailer in Italy. It creates, produces and sells clothing apparel for women, men and children under the brands OVS and UPIM.

Under the By-laws currently in force (the “**By-laws**”), OVS is organised on the basis of a traditional management and control organisational model as per articles 2380-*bis* and following of the Civil Code, with a Shareholders’ Meeting, a Board of Directors and a Board of Statutory Auditors.

OVS’s Board of Directors holds a central role in leading and managing the Company and the Group. In addition to the duties required of it by the law and the By-laws, the Board of Directors also has exclusive responsibility for taking key decisions from a strategic and economic standpoint and in terms of having a structural effect on operations, meaning those functional to monitoring and directing the Company and the Group.

The Nomination and Remuneration Committee and the Control, Risks and Sustainability Committee have been set up within the Board of Directors, both having propositional and consultative functions in accordance with the recommendations set forth by the Corporate Governance Code and the Related Party Transactions Committee pursuant to and by effect of the RPT Regulation and the RPT Procedure adopted by the Company.

The Board of Statutory Auditors oversees to ensure that the law and the By-laws and principles of proper management are being respected, as well as in particular that the organisational, administrative and accounting structure adopted by the Company and the way it works are adequate. The Board of Statutory Auditors also acts as the internal control and audit committee within the meaning of article 19 of Legislative Decree no. 39/2010.

The auditing firm PricewaterhouseCoopers S.p.A., with legal office at Milan, Via Monte Rosa no. 91, registered at no. 43 of the “*Albo Speciale delle Società di Revisione*” of the Italian Ministero dell’Economia e delle Finanze and no. 119644 of the Italian “*Registro dei Revisori Legali*”, has been appointed by the Shareholders’ Meeting to perform the statutory audit of the accounts for the nine-year period from January 31, 2015 to January 31, 2023 on the justified proposal of the Board of Statutory Auditors, in accordance with the requirements of current law contained in Legislative Decree no. 39/2010 applicable to entities of public interest.

As parent Company, OVS is responsible for the direction of strategy for the Company and the Group and performs management and coordination activities within the meaning of articles 2497 and subsequent of the Civil Code.

OVS’s system of corporate governance has been constructed in order to comply with the Corporate Governance Code and the provisions of laws and regulations that govern Italian listed companies, in accordance with best corporate governance practice.

2. INFORMATION ON OWNERSHIP STRUCTURES (pursuant to article 123-bis, paragraph 1 of the TUF) as at January 31, 2018

a) Capital structure (pursuant to article 123-bis, paragraph 1 a) of the TUF)

At the date of the January 31, 2018, the share capital amounts to Euro 227,000,000 fully subscribed and paid-in consisting of 227,000.000 ordinary shares without nominal value.

On May 26, 2015 the Shareholders' Meeting granted the Board of Directors with the power, pursuant to Article 2443 of the Italian Civil Code, within the maximum term of five years from the date of the Shareholders' resolution, of the power to proceed with a paid divisible capital increase, with 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, through the issuing, including in more than one tranche, of a maximum of no. 5,107,500 new ordinary shares with no par value, with the same characteristics of the present shares, to be reserved to the beneficiaries of the "2015-2020 Stock Option Plan" as defined below (the "**2015 Power Delegation**").

The Board of Directors, on June 8, 2015, resolved to proceed with the exercise of the 2015 Power Delegation and approved a capital increase in service of the 2015-2020 Stock-Option Plan, as approved by the general meeting.

In particular, the Board of Directors approved a paid-in capital increase, by 8 June 2025, through the issuance, in one or more tranches, of a maximum of 5,107,500 new ordinary shares, without indication of par value, having the same characteristics as the ordinary shares outstanding at the date of issuance, with regular dividend entitlement, and with the exclusion of option rights pursuant to Article 2441, paragraph 8, of the Italian Civil Code, to be reserved for subscription by the beneficiaries of the aforementioned 2015-2020 Stock-Option Plan at an exercise price of € 4.88 per share.

On May 31, 2017 the Shareholders' Meeting granted the Board of Directors with the power, pursuant to Article 2443 of the Italian Civil Code, within a maximum term of five years from the date of the Shareholders' resolution, to proceed with a paid divisible 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 4,080,000.00, through the issuing, including in more than one tranche, of a maximum of 4,080,000 new ordinary shares with no par value, with the same characteristics of the present shares, to be reserved to the beneficiaries of the "2017-2022 Stock Option Plan" as defined below (the "**2017 Power Delegation**").

The Board of Directors, on September 20, 2017, resolved to proceed with the partial exercise of the 2017 Power Delegation and approved a partial capital increase in service of the 2017-2022 Stock-Option Plan, as approved by the general meeting. In particular, the Board of Directors approved a partial paid-in capital increase, by June 30, 2017, through the issuance, in one or more tranches, of a maximum of 3,935,000 new ordinary shares, without no par value, having the same characteristics as the ordinary shares outstanding at the date of issuance, with regular dividend entitlement, and with the exclusion of option rights pursuant to Article 2441, paragraph 8, of the Italian Civil Code, to be reserved for subscription by the beneficiaries of the aforementioned 2015-2020 Stock-Option Plan at an exercise price of € 6.39 per share.

For information about the characteristics of the 2015-2020 Stock-Option Plan, the 2017-2022 Stock-Option Plan and the relevant capital increases, refer to the Board of Directors' documents pursuant to Article 125-ter TUF and Articles 72 and 84-bis of Consob Regulation No. 11971/1999, as well as the available from the portion of the minutes of the Board of Directors' Meetings held on June 8, 2015 and on September 20, 2017 subject to notarisation, made available to the public on the Company's website, www.ovscorporate.it, in the section Governance/Shareholders' Meeting.

b) Restrictions on the transfer of securities (pursuant to article 123-bis, paragraph 1b) of the TUF)

There are no restrictions on the free transfer of the Shares nor limits on the ownership of such, nor are there any consent clauses for becoming a shareholder of OVS pursuant to law or the By-laws.

For completeness, please take note that as part of the listing procedure of the ordinary shares of OVS on the Official List, the selling shareholder Gruppo Coin S.p.A. entered lock-up agreements with the banks which acted as coordinators of the global sales offering under which it undertook not to sell or dispose of in any other way the Company's shares, or financial instruments granting rights on the Company's shares, for a period of between 180 days from the First Trading Day.

c) Significant direct and indirect holdings (pursuant to article 123-bis, paragraph 1c) of the TUF)

Significant direct or indirect holdings in OVS's share capital are stated in **Table 1** in the appendix, which has been prepared on the basis of the notifications received by the Company pursuant to article 120 of the TUF up to January 31, 2018.

d) Securities with any special rights (pursuant to article 123-bis, paragraph 1d) of the TUF)

No shares granting special control rights have been issued, nor are there any holders of special powers pursuant to the law or By-laws currently in force.

The By-laws of OVS don't include multiple-voting or increased voting shares.

e) Employee share schemes: mechanism for the exercise of voting rights (pursuant to article 123-bis, paragraph 1e) of the TUF)

On May 26, 2015, the Ordinary Shareholders' Meeting, approved a Stock Option Plan, concerning ordinary shares of OVS, named "Piano di Stock Option 2015-2020", reserved for 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 the same pursuant to Article 93 of TUF (the "**Plan 2015-2022**").

The Plan 2015-2020 provides for the overall free attribution, to the beneficiaries of no. 5,107,500 options (the "**Options 2015-2020**") maximum, which give the right to subscribe or purchase OVS ordinary shares in the ratio of no. 1 share per each Option 2015-2020 exercised.

The Plan 2015-2020 provides a first cycle of attribution ended on December 31, 2015, as well as the further cycles of attribution, if any, 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 was implemented by the Board of Directors held on June 8, 2015, who carried out the 2015 Power Delegation proceeding 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 "2015 – 2020 Stock Option Plan".

The Plan 2015-2020 does not include any mechanisms excluding or limiting the direct exercising by the beneficiaries of the voting rights relating to the ordinary shares subscribed on exercising the options granted to them.

Full details of the Plan 2015-2020 may be found in the information document prepared pursuant to article 84-*bis* of the Consob Issuers' Regulation and the Report on Remuneration prepared pursuant to article 123-*ter* of the TUF, published in the Company's website www.ovscorporate.it, Section *Governance/Shareholders Meeting*.

On May 31, 2017, the Ordinary Shareholders' Meeting, approved a Stock Option Plan, concerning ordinary shares of OVS, named "Piano di Stock Option 2017-2022", reserved for directors who are also employees, managers with strategic responsibilities and/or other employees of OVS S.p.A. and of the companies controlled by the same pursuant to Article 93 of TUF (the "**Plan 2017-2022**").

The Plan 2017-2022 provides for the overall free attribution, to the beneficiaries, of no. 4,080,000 options (the "**Options 2017-2022**") maximum, which give the right to subscribe or purchase OVS ordinary shares in the ratio of no. 1 share per each Option 2017-2022 exercised.

The Plan 2017-2022 has been partially implemented by resolution of the Board of Directors on September 20, 2017 who partially carried out the 2017 Power Delegation proceeding 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 3,935,000, through the issuance of a maximum of no. 3,935,000 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 2017 – 2022".

The Plan 2017-2022 does not include any mechanisms excluding or limiting the direct exercising by the beneficiaries of the voting rights relating to the ordinary shares subscribed on exercising the options granted to them.

Full details of the Plan 2017-2022 may be found in the information document prepared pursuant to article 84-*bis* of the Consob Issuers' Regulation and the Report on Remuneration prepared pursuant to Article 123-*ter* of the TUF, published in the Company's website www.ovscorporate.it, Section *Governance/Shareholders Meeting*.

f) Restrictions on voting rights (pursuant to article 123-bis, paragraph 1f) of the TUF)

There are no restrictions on voting rights.

g) Shareholders' agreements (pursuant to article 123-bis, paragraph 1 g) of the TUF)

The Company is aware of a shareholders' agreement ("**Shareholders' Agreement**") between the shareholders of the Luxembourgian company Icon1 S.A., that, at the Date of the Report *de facto*¹ and indirectly controls OVS – by Icon2 S.a.r.l. and Gruppo Coin S.p.A. and CEP III Participations S.à.r.l., lodged with the Venice Companies' Registrar on March 6, 2015 and notified to the Issuer and published on the same date.

¹ Currently Gruppo Coin S.p.A. holds a stake of just over 17% and Gruppo Coin S.p.A, at the time of the renewal of the current administrative body - against the ownership, at the time, of about 30% - presented a list for the appointment of the Board of Directors and of the Board of Statutory Auditors, from which, at the outcome of the Shareholders' Meeting, the majority of the members of the management body in office and two members of the Board of Statutory Auditors were drawn.

For any other detail, the abstract of the Shareholders Agreement may be consulted on the “Issuers” section of the Consob website www.consob.it.

h) Change of control clauses (pursuant to article 123-bis, paragraph 1h) of the TUF) and provisions on public tender offers in the by-laws (pursuant to article 104, paragraph 1-ter and article 104-bis paragraph 1 of the TUF)

OVS and its subsidiary OVS Sourcing Hong Kong Ltd, are parties within their ordinary activity, of certain agreements for commercial lease, which provide for, as customary negotiation practice for similar agreements, clauses which, if applied, may grant to each party the right to solve or amend such agreements in case of a change of control of such parties.

In particular, the financing agreement signed by the Issuer together with banks on January 23, 2015 (“Financing Agreement”) sets a mandatory prepaid in case of “change of control” as defined in the Financing Agreement (and as a consequence the lines of credits will be cancelled and the financing agreement will end).

The By-laws do not derogate from the application of the passivity rule within the meaning of article 104 paragraph 1 and 1-bis of the TUF and do not prescribe the application of the neutralisation rules contemplated by article 104-bis, paragraphs 2 and 3 of the TUF.

i) Delegated powers to increase share capital and authorisations to purchase treasury shares (pursuant to article 123-bis, paragraph 1m) of the TUF)

Please refer to Paragraph 2 a) above for the description of the 2015 Delegation and the 2017 Delegation.

It is also noted that the Shareholders’ Meeting of May 31, 2017 authorized, for a period of 18 months starting from May 31, 2018, the purchase and disposition of treasury shares, to be carried out on regulated markets.

Full details of the above-mentioned buyback plan may be found in the illustrative report prepared pursuant to and by effect of Article 125-ter of the TUF and Article 73 of the Issuers’ Regulation, published in the Company’s website www.ovscorporate.it, in the *Governance/Assemblea degli Azionisti/2017* section.

The Company, at the Date of the Report, has not executed the above-mentioned buyback plan.

l) Management and coordination (pursuant to articles 2497 et seq. of the Civil Code)

The Company is not subject to management and coordination and is the parent company of the OVS Group, in fact, inter alia:

- a) the main decisions relating to the management of the Company and its subsidiaries have adopted within their corporate bodies and the Board of Directors of the Company is exclusively competent for the approval of the strategic, industrial and financial and of the budgets of the Company and the Group as well as for the evaluation of the organizational, administrative and accounting structure of the Company and the Group;
- b) the Company operates independently with reference to relations with customers and suppliers, without any interference of foreign parties of the Company;
- c) OVS manages the treasury and financial management in a fully autonomous way both an administrative and management point of view;

- d) OVS is not subject to any group regulations or directives or orders issued by its controlling entities and concerning, among other things, the fulfillment of extraordinary operations or the definition of strategies.

As discussed in paragraph 1 above, the Company exercises management and coordination, pursuant to article 2497 and subsequent of the Civil Code, over the companies belonging to the OVS Group and its direct and indirect subsidiaries.

* * *

In conclusion, it is hereby stated that:

- the information required by article 123-bis, paragraph 1i) of the TUF regarding “*agreements between the company and the directors which provide for an indemnity in the event of resignation or dismissal without just cause or if their employment relationship ceases as the result of a public tender offer*” can be found in the Remuneration Report prepared and published pursuant to article 123-ter of the TUF;
- the information required by article 123-bis, paragraph 1l) of the TUF regarding “*the rules applicable to the appointment and replacement of directors as well as amendments to the by-laws, if different from the legislative and regulatory rules applicable by way of supplement*” is described in section 4.1 of this Report on the Board of Directors.

3. COMPLIANCE (pursuant to article 123-bis, paragraph 2a) of the TUF)

OVS adheres to the Corporate Governance Code which is accessible to the public on the website of the Corporate Governance Committee on page www.borsaitaliana.it/comitato-corporate-governance/codice/2015clean.pdf.

It is highlighted that the ordinary shares of OVS have been negotiated at the Official List (*Mercato Telematico Azionario*) of Borsa Italiana S.p.A. since March 2, 2015.

In this Report - based on the principle of “*comply or explain*” which underlies the Corporate Governance Code and in line with EU Recommendation no. 208/2014 – reference is made to any and all recommendations the Company (up to date) has deemed not yet to comply with, either wholly or partially.

Neither the Company nor its subsidiaries are subject to non-Italian laws which might affect OVS’s corporate governance structure.

4. BOARD OF DIRECTORS

4.1. APPOINTMENT AND REPLACEMENT (pursuant to article 123-bis, paragraph 1l) of the TUF)

The appointment and replacement of directors are governed by current legislation, as transposed and supplemented, within the limits permitted, by the By-laws, in compliance with the provisions of the Code.

Pursuant to article 13 of the By-laws, the Company is managed by a Board of Directors of a minimum of 7 to a maximum of 15 members. The Shareholders’ Meeting sets the number within the above limits before appointing this body. Directors are appointed for a term of three financial years, or for a

different period which in any case may not exceed three financial years, that is established on appointment, and may be re-elected.

Directors must hold the requirements established by the law, by the By-laws and by any other applicable provisions in order to hold office as Director.

The provisions of the By-laws which govern the composition and appointment of the Board of Directors enable the requirements of the law as per article 147-*ter* of the TUF and the relative implementation regulations to be met, as summarised in the following.

More specifically, article 13.3 of the By-laws establishes that in compliance with the rules in effect from time to time pertaining to gender balance, directors shall be appointed by the Shareholders' Meeting on the basis of lists submitted by shareholders in compliance with the legal and regulatory provisions in effect from time to time, on which candidates, no more than 15 in number and possessing the requisites provided for by the legal and regulatory provisions in effect from time to time, are to be listed with an assigned sequential number.

Pursuant to the By-laws, at least two directors holding the independence requirements established by the law or regulatory provisions must be members of the Board of Directors. Each list must indicate which candidates hold the independence requirements established by the law or regulatory provisions in effect from time to time. Independent candidates on each list must be stated at the numbers 2/ 4 of the list, with the non-independent candidates. The lists must be lodged at the Company's registered office and published in accordance with current laws and regulations. Lists with three or more candidates must be made up of candidates belonging to both genders, so that at least one third (rounded up) of the candidates belongs to the less well represented gender.

Each shareholder may submit, or participate in the submission of, one and only list and each candidate may be presented in only one list, under penalty of ineligibility.

Lists may be submitted by the outgoing Board of Directors and by shareholders that, alone or together with others, own shares representing at least 2.5% of the capital or such different percentage of participation in the share capital as established by the legal and regulatory provisions in effect from time to time.

In any case, waiving the law or regulatory provisions in effect from time to time, for the first election after the beginning of the negotiation of the ordinary shares of the Company, the threshold established for the presentation of the lists for the appointment of the Board of Directors pursuant to article 144-*ter* of the TUF, will be up to 2,5% of the share capital.

By the deadlines set by the legal and regulatory provisions in force from time to time, declarations are to be filed along with each list wherein the individual candidates accept their candidacies and declare, under their own responsibility, that no cause of ineligibility or incompatibility exists and that they possess the requisites prescribed by the laws and regulations in effect for the respective positions. Together with the declarations, curricula vitæ are to be filed relating to each candidate's personal and professional characteristics, indicating the candidate's potential suitability to be classified as independent, within the meaning of the legal and regulatory provisions in effect and the codes of behavior relating to corporate governance that may have been adopted by the Company.

Lists for which the aforesaid provisions have not been complied with are to be deemed not to have been submitted. Directors who have been appointed are to inform the Board of Directors without delay of the loss of the requisites of independence, as well as of any supervening causes of ineligibility or incompatibility.

Each person entitled to vote may vote for only one list.

When the voting ends, the candidates from the two lists which received the greatest number of votes shall be elected, using the following criteria:

- (a) directors equal in number to the total number of members to be elected, less one, shall be drawn from the list which received a majority of the votes cast, in the sequential order in which they are included on that list;
- (b) the remaining director shall be drawn from the list receiving the second greatest number of votes at the Shareholders' Meeting ("minority list") that is not linked in any way, even indirectly, to those who submitted or voted for the list which came first in terms of number of votes.

In the event of a tied vote for lists a new vote shall be taken by the entire Shareholders' Meeting, with those candidates being elected who obtain a simple majority of the votes.

If, when the voting ends, a sufficient number of directors has not been elected holding the requisites of independence provided for by the legal and regulatory provisions in effect, the candidate not holding such requisites who was elected last in sequential order from the list which received the greatest number of votes shall be excluded and replaced by the subsequent candidate having the requisites of independence drawn from the same list as the candidate excluded. Such procedure, if necessary, shall be repeated until the number of independent directors to be elected is completed. If, in addition, the candidates elected under the procedures indicated above do not ensure a composition of the Board of Directors that conforms to the gender balance regulations in effect from time to time, the candidate of the more represented gender elected last in sequential order from the list which received the greatest number of votes shall be replaced by the first candidate of the less well represented gender not elected of the same list in sequential order.

This substitution procedure is followed until a Board of Directors composition is ensured that conforms to the gender balance rules in effect from time to time. Finally, if said procedure does not ensure the result just indicated, the replacement shall be made by a resolution passed by the Shareholders' Meeting by a relative majority, after candidacies by persons belonging to the less well represented gender have been submitted.

In the event a single list is submitted, the directors shall be drawn from the list submitted, provided that it has been approved by simple majority vote. If the directors thereby elected do not correspond in number to that of the members of the Board determined by the Shareholders' Meeting or in the event that no list was submitted or in the event that the list submitted does not permit the appointment of independent directors in compliance with the legal and regulatory provisions in effect, the Shareholders' Meeting shall pass resolutions with the statutory majorities; all of which without prejudice to compliance with the gender balance regulations in effect from time to time.

The list voting procedure applies only in case of the appointment of the entire Board of Directors.

If during the course of the year one or more directors should come to leave office, the procedures of article 2386 of the Civil Code are to be followed. If one or more of the Directors leaving office were drawn from a list also containing the names of candidates not elected, the substitution shall be made through the appointment, in sequential order, of persons drawn from the list to which the departing director belonged and who are still eligible and disposed to accept the position or, in the absence or unavailability of such candidates on the list, by the appointment of another candidate indicated by the directors drawn from the list to which the departing director belonged. In any event, directors leaving office are to be replaced while assuring the presence of the necessary number of directors holding the requisites of independence established by law and in compliance with the gender balance regulations in effect from time to time.

The By-laws do not prescribe independent requirements in addition to those required by article 148, paragraph 3 of the TUF, nor any integrity requirements other than those required by current law. The By-laws do not contain any professional requirements for holding a position as Director.

The Company is not required to comply with any other provisions regarding the composition of the Board of Directors in addition to those established by the Civil Code and TUF.

The provisions of articles 147-*ter*, paragraph 1-*ter* and 148, paragraph 1-*bis* of TUF applied for the first time on the first renewal of the Company's Board of Directors and Board of Statutory Auditors following the listing at the Office List (Mercato Telematico Azionario) of Borsa Italiana S.p.A., pursuant to Consob resolution DIE no. 0061499 on July 18, 2013, occurred with the Shareholders' Meeting held on May 31, 2017.

The Board of Directors of the Company, since April 2015 – following the listing on March 2, 2015, and later on a yearly basis (most recently with the Board of Directors meeting held on April 18, 2017) - considering the rules contained in the By-laws and in the legislation for the appointment and renewal of the Board, and taking into consideration the composition of the Board and the delegated powers granted, has assessed as not necessary to adopt a formalized succession plan for executive Directors.

Considering the new composition of the management body, following the appointment on May 31, 2017, the Board of Directors, by resolution dated March 22, 2018, proposed to evaluate during the financial year 2018 whether to confirm such orientation or to proceed with the adoption of a Succession Plan.

4.2. COMPOSITION (pursuant to article 123-bis, paragraph 2d) of the TUF)

The Ordinary Shareholders' Meeting of May 31, 2017 appointed, until the approval of the Company's annual financial statements for the year ending on January 31, 2020, the Board of Directors currently in office, including members holding the independence requirements laid down by the combined requirements of Article 147-*ter*, paragraph 4 and Article 148, paragraph 3 of the TUF, as well as those of Article 3 of the Corporate Governance Code.

For the purposes of the above-mentioned appointment, two lists have been submitted:

List no. 1, submitted by the shareholder Gruppo Coin S.p.A. (owner of, as of the date of submission of the list, an overall amount of 95,607,299 ordinary shares of the Company, equal to 42.117% of the share capital with voting right in the Meeting and owner of, as of the date of the Meeting, no. 68,485,898 ordinary shares of the Company, equal to 30.169% of the share capital with voting right), composed of the following names: (1) Nicholas Stathopoulos, (2) Gabriele Del Torchio, (3) Stefano Beraldo, (4) Heinz Jürgen Krogner Kornalik, (5) Stefano Ferraresi, (6) Marvin Teubner, (7) Stefania Criveller, (8) Chiara Mio and (9) Giorgina Gallo.

List no. 2, submitted by some shareholders (owners of, as of the date of submission of the list, an overall amount of 6,411,209 ordinary shares of the Company, equal to 2.82432% of the share capital with voting right in the Meeting), composed of the following names: (1) Vincenzo Cariello e (2) Elena Angela Luigia Garavaglia.

List no. 1, submitted by Gruppo Coin S.p.A., received votes equal to about 51.307% of the voting share capital ("Majority List"), whereas List no. 2 received votes equal to about 48.633% of the voting share capital ("Minority List").

The appointed Board of Directors is therefore composed of: Nicholas Stathopoulos, Stefano Beraldo, Gabriele Del Torchio, Heinz Jürgen Krogner Kornalik, Stefano Ferraresi, Marvin Teubner, Stefania Criveller, Chiara Mio, drawn from the Majority List and of Vincenzo Cariello, drawn from the Minority List.

The current members of the Board of Directors are as follows:

First and last name	Position
Nicholas Stathopoulos (***)	Chairman of the Board of Directors
Stefano Beraldo (**)	Chief Executive Officer and General Manager
Stefano Ferraresi (***)	Director
Heinz Jürgen Krogner Kornalik (*) (***)	Director
Gabriele Del Torchio (*) (***)	Director
Marvin Teubner (***)	Director
Stefania Criveller (***)	Director
Chiara Mio (*) (***)	Director
Vincenzo Cariello (*) (***)	Director

(*) Director holding the independence requirements laid down by the article 148, paragraph 3 of the TUF and the article 3 of the Corporate Governance Code.

(**) Executive Director

(***) Non Executive Director

Reference should be made to **Table 2** in the appendix for details of the composition of the Board of Directors.

The Directors' CVs are attached to this Report with an indication of their main personal and professional characteristics and any other positions held.

Policies on diversity gender

From a general perspective, according to the By-laws of OVS, “*Directors are appointed by the Shareholders’ Meeting, in compliance with the regulations in force regarding the gender balance*”.

The Nomination and Remuneration Committee, among its functions, is in charge of “*expressing opinions to the board of directors in relation to its size and composition and recommendations with regard to the professional skills necessary within the board*”.

During the renewal of the Board of Directors, on the last May 31, the outgoing Board, endorsing the recommendations of the Nomination and Remuneration Committee, deemed that “*considering the size and the current needs of the Company, [...] the number of its constituents could be extended to nine members, thus granting a greater plurality of experiences, professional and managerial skills and of gender and seniority, allowing as well a better distribution of the tasks and assignments within the Board*”, and requested “*that a member [had] appropriate knowledge and experience in the financial field and in the retributive policies and a member had appropriate experience in the accounting and financial fields or in the management of risks*” and finally proposed that “*the candidates [had], as far as possible, a commercial and/or retail profile*”.

Based on these recommendations and in compliance with the provisions of Article 123-bis of the TUF, which recently introduced specific information obligations to the issuers, OVS adopted policies on diversity matters with regard to the composition of the corporate bodies concerning the age, the gender composition and the educational and professional career.

The adoption of policies on diversity matters thus conceived contributed to the determination of the current composition of the corporate bodies: (i) the BoD is composed of 2 women directors out of 9

(1/5 – since it is the first mandate); (ii) the Board of Statutory Auditors is composed of 2 women (including the Chair) and 1 man; (iii) with reference to the represented age, directors are between 40 and 77 years old; in particular, no. 3 directors are between 40 and 49 years old, no. 3 directors are between 50 and 54 years old , no. 2 directors between 60 and 67 years old and one director is more than 70 years old; (iv) no. 3 directors out of 9 are not Italian; (v) as per the professional experiences, there are representatives of the international finance, retail, food service, high management and university teachers of economics and law.

As stated in the Code of Ethics, OVS recognizes people's value and undertakes to offer equal job opportunities without discriminations based on ethnic groups, religion, opinions, nationality, gender, physical conditions, age, social status, and positively values "diversity" situations which become even more important in light of the internationalization process that the group is carrying on. The commitment goes beyond the disapproval and the sanction of any form of discrimination or limitation of the professional or human growth caused by prejudices or behaviors hostile to diversity: the Group wants to proactively enhance and promote an inclusive environment, friendly to everyone's needs, where everyone can express at their best their potentialities, appreciating the expression of different points of views and the personal contribution as an element of enrichment and development.

The Board of Directors of March 22, 2018 determined that, during this financial year, the Company will formalize what already happens in practice, also taking into account the practice that will be followed by the other issuers, in accordance with the following:

- 1) The Company, in addition to implementing the laws in force, pursues the diversity in relation to the composition of the corporate bodies and takes into considerations the age, the gender composition and the educational and professional experience, also at an international level.
- 2) The Board of Directors, during its renewal, expresses to the shareholders some recommendations regarding its optimal composition, with particular reference to the age, gender and the educational and professional backgrounds of the candidates.
- 3) During the co-optation as well, the Board takes into consideration the choice of the directors to co-opt aspects such as age, gender, educational and professional backgrounds.
- 4) The Nomination and Remuneration Committee expresses opinions relating to the size and composition of the Board of Directors and recommendations with regard to the professional skills necessary within the board.
- 5) The Board of Directors takes into consideration the opinions and the recommendations provided by the Committee.

In this way, the Company will pursue the goal of having representatives within the Board with different skills and experiences and different educational backgrounds, thus enriching the competence and knowledge within the Board.

Management and control positions held in other companies

In compliance with the recommendations of article 1 of the Corporate Governance Code, each member of the Board of Directors must take decisions with full knowledge of the facts and by autonomously pursuing the objective of creating value for the shareholders over a medium-long term period, and undertakes to dedicate to the position held in the Company the time required to ensure that he or she diligently performs his or her functions, regardless of any positions held outside the OVS Group, in the full knowledge of the responsibilities inherent in the position held.

For this purpose every candidate standing for the position as Director assesses in advance, on accepting the position in the Company and regardless of the limits set by laws and regulations regarding the number of positions which may be held, his or her ability to perform the duties assigned with due attention and effectiveness, with special consideration being given to the overall commitment which may be required by any positions held outside the OVS Group.

All members of the Board of Directors are furthermore required to promptly notify the Board should they assume any positions as director or statutory auditor in other companies, for the purpose of satisfying the disclosure requirements of applicable laws and regulations.

The Board of Directors deemed not necessary, also after a comparative analysis in respect of other issuers belonging to fashion market segment, to define any general criteria for the maximum number of management and control positions in other companies pursuant to Criteria no. 1.C.3 of the Code, without altering the duty of each director to assess the extent to which positions as director or statutory auditor held in other companies listed on regulated markets, in financial, banking or insurance companies and in companies of a significant size are compatible with a diligent performance of the duties assumed as director of the Issuer.

Induction programme

During 2017, the Company did not implement specific training measures for the members of the Board of Directors and the Board of Statutory Auditors newly elected by the Shareholders' Meeting of 31 May 2017, with the exception of the periodic information provided during the meetings on the evolution of the company business.

In consideration of the new figures that have become part of the corporate bodies, the Company will implement a new specific induction program in the year 2018, different from the one previously adopted - that is specific information during each meeting in consideration of the specific topics on the agenda - in order to identify, in the most appropriate ways, the initiatives aimed at providing the new directors and new auditors with adequate knowledge of the business sector in which the issuer operates, of the company dynamics and of their evolution, the principles of correct risk management as well as the reference regulatory and self-regulatory framework.

4.3. ROLE OF THE BOARD OF DIRECTORS (pursuant to article 123-bis, paragraph 2d) of the TUF)

During the Financial Year 2017, the Board of Directors has met 10 times (2 meeting made by the previous Board and 8 meetings of the new appointed Board). During the 2018 financial year 1 meeting was held and at least no. 4 meetings are scheduled, including the meeting on April 18, 2018, during which this Report was approved.

The average length of each meeting was approximately 2 hours.

The timeliness and completeness of pre-board information are ensured through the involvement of the competent corporate structures, which take care of and coordinate the preparation of the documentation needed from time to time for the specific matters on the agenda.

The Secretariat of the Corporate Affairs Department together with the Chief Financial Officer send the documentation to the Directors and Statutory Auditors, arranging this with the Chairman in reasonable advance of the date of the meetings and taking suitable account of any need for confidentiality or price sensitive information connected to certain subjects (such as, for instance, projects of particular strategic importance to the business of the Company and on which the Chairman and Chief Executive Officer reports directly to the Board, setting off the consequent process of examination and evaluation by the Board), as well as any urgency to which specific subjects may be liable. By way of practice, notice of 3 days prior to the date of the board meeting is considered reasonable for the despatch of information. This notice period is usually respected.

It is also practice for the Chief Financial Officer and the manager assigned to drawing up the corporate accounting documents and for the General Counsel to attend board's meetings on the invitation of the Chairman. On invitation of the Chairman, the key managers and of the other managers of the Company and the Group, who are in charge of the functions to which the subjects discussed from time to time by the Board refer, attend the boards' meetings so that they may provide suitable details and explanations to the Directors and Statutory Auditors during the meetings.

The Board of Directors of OVS is the central body in the Company's corporate governance system and has a primary role in leading and managing the Company and the whole Group. In addition to the duties with which it is charged pursuant to law and the By-laws, the Board has exclusive jurisdiction on the most important decisions from an economic and strategic standpoint and in terms of structural effects on operations, meaning those functional to monitoring and directing the Company and the Group, including the definition of the corporate governance.

It has the power and duty to direct and manage the business, pursuing the objective of maximising shareholder value. To this end, the Board of Directors approves the operations required to achieve the Company's business purpose, other than decisions expressly reserved for by the law or the By-laws to the Shareholders' Meeting.

The resolution dated May 31, 2017, following the appointment of the current Board of Directors, provided that, inter alia, the collegial management body has exclusive competence over the approval of the strategic, industrial and financial plans of the issuer and of the group headed by the latter as well as over the issuer's and its subsidiaries' transactions, whenever such transactions have a material significance on the strategic, economic, property or financial levels for the issuer. The Board of Directors is also responsible for: (i) the approval of the long-term and annual, economic, financial and investment strategies and plans of OVS and its subsidiaries, as set out by the Chief Executive Officer; (ii) the approval of the transactions to be implemented in situations which may entail a potential conflict of interest and of transactions with related parties, according to the provisions of the relevant RPT Procedure; (iii) the authorization to execute transactions, deeds and contracts whose value exceeds the delegations of powers granted to the Chief Executive Officer.

In addition to exercising the powers assigned to it by law, the Shareholders' Meeting has competence to adopt resolutions on the following matters, as per article 19 of the By-laws:

- (a) mergers and spin-offs, in the cases provided by law;
- (b) the creation or closing of secondary offices;
- (c) an indication of which directors may represent the Company;
- (d) the reduction of share capital in the event of withdrawal by one or more shareholders;
- (e) the adaptation of the bylaws to legal and regulatory provisions;
- (f) the transfer of the registered office within Italy.

* * *

The Board of Directors, during each meeting on the basis of items on the agenda and making reference to the documentation made available to the Board from the competent corporate bodies, checked the evaluation on the organisational, administrative and general accounting structure of the Company, with particular reference to the internal control system and management of the risk pursuant to Criterio Applicativo 1.C.1. letter c) of the Code. Finally the Board, during the meeting on April 18, 2018, based on the outcomes of the internal auditing activity, of the assessments of the Manager assigned of the Preparation of the Company Accounting Records and the Supervisory Body, having heard the Control, Risks and Sustainability Committee.

With reference to the provisions of the Criterio Applicativo 1.C.1. letter g) of the Code, in relation to the functioning of the Board of Directors itself, its Committees, as well as on their size and

composition, the Company, on the input of the new members of the Board of Directors and of the new Board of Statutory Auditors, appointed in 2017, decided to implement an updated board evaluation system, with the help of a new questionnaire compared to the one used up to now for such evaluation, and with the possibility of also using interviews. To this end, the Company is proceeding to appoint an external consultant, identified on April 18, 2018 by the Appointment and Remuneration Committee, to whom tasks regarding self-assessment of performance have been assigned with the amendment of the related regulation, which was resolved with a resolution of March 22, 2018. Since the timing for the identification and appointment of the external consultant took longer than expected, the self-assessment process for the 2017 financial year was not yet carried out at the Date of Drafting; during the meeting held on April 18, 2018, the Board of Directors resolved to proceed with a board evaluation for the 2017 financial year using the previous questionnaire, implementing the aforementioned new system during the 2018 financial year.

In consideration of the renewal of the Board, occurred with the Shareholders' Meeting on May 31, 2017, the Board of Directors, upon proposal of the Nomination and Remuneration Committee, also taking into consideration the results of the questionnaire used for the performance evaluation of the financial year 2016, issued guidelines to the shareholders on managerial and professional skills, that were deemed necessary within the Board, reporting its observations on the illustrative report of the Directors to the Shareholders, which was made available according to the terms and conditions of the laws in force.

As regards the transactions of the Company or its subsidiaries which are of significant strategic or financial importance to the Company or have significant importance as far as its results or assets are concerned, as stated above such transactions are reserved for the exclusive competence of the Board of Directors.

With reference to the subsidiaries with significant importance, on April 18, 2018 the Board of Directors confirmed what was resolved previously and stated in the prospectus on the public tender offer and admission of OVS' ordinary shares to trading on the Official List (*Mercato Telematico Azionario*) of Borsa Italiana S.p.A. (the "Prospectus") approved by Consob on February 12, 2015 register no. 0010498/15. Herein, for the identification of the subsidiaries which have significant significance in the group headed by the Company, with reference to the provisions of Title VI, Chapter II, of Consob Regulation no. 11971/1999, the parameters specified by article 151 of Consob Regulation no. 11971/1999 were used, which provides that "*Italian or foreign subsidiaries have no material significance, even if included in the consolidated financial statements, if assets are less than two percent of the consolidated assets and revenues are less than five percent of consolidated revenues, provided that the sum of the assets and revenues of these companies does not exceed ten percent or fifteen percent, respectively, of the consolidated revenues.*" Based on the above criteria, any of the OVS Group have significant importance pursuant to article 151 of the Issuers' Regulations, since their respective capital assets are less than 2% of the consolidated assets of the OVS Group and their revenues are respectively less than 5% of consolidated revenues of the OVS Group.

Considering, however, the important impact of the share capital held by the Company in OVS Hong Kong Sourcing Ltd, this impact was calculated in accordance with ESMA Recommendations "*ESMA update of the CESR recommendations The consistent implementation of Commission Regulation (EC) No 809/2004 Implementing the Prospectus Directive*" and in particular on the basis of the provisions of paragraphs 160-165 in relation to disclosure on investments, using as a basis the parameters referred to in paragraph 161 that stated: "*if the book value of interest Participating That Represents at least 10% of the consolidated net assets or the Participating interest Generates at least 10% of the consolidated net profit or loss of the group.*" Based on the above criteria, the number of shares held by the Company in OVS Hong Kong Sourcing Ltd is likely to have a significant impact on the valuation of assets and liabilities, financial position or profits and losses of OVS as the net result of OVS Hong Kong Sourcing Ltd exceed 10% of the consolidated net result of the OVS Group.

It was considered, therefore, using the above criteria, which only a strategic subsidiary is the subsidiary OVS Hong Kong Sourcing Ltd.

In compliance with the recommendations contained in article 1.C.1 letter e) of the Corporate Governance Code and the provisions in article 19.3 of the By-laws, the Managing Director, in particular during the meetings of the Board of Directors approving the financial statements, constantly reports to the Board of Directors and the Board of Statutory Auditors on the general performance of operations. During the course of 2017 as well, the Board of Directors has constantly evaluated and monitored the general performance of operations, taking into account the information provided by the Managing Director.

In conclusion, it is noted that the Shareholders' Meeting has not authorised in a general and preventive sense any exemptions to the prohibition on carrying out competing business activities prescribed by article 2390 of the Civil Code.

4.4. DELEGATED BODIES

4.4.1 MANAGING DIRECTORS

Pursuant to article 20 of the By-laws, the Board may delegate, within the limits of article 2381 of the Civil Code, its powers to one or more of its members, determining the content and limits and any manner of exercise of the delegation. The Board, upon a proposal by the Chairman and in consultation with such bodies, may confer powers for single acts or categories of acts also to other members of the Board of Directors.

The powers of the delegated bodies include the conferral, within the sphere of the attributions assigned, of powers for single activities or categories of activities to employees of the Company and to third parties, with the right to sub-delegate.

The Board of Directors of OVS, which met on May 31, 2017, following the appointment by the Shareholders' Meeting on the same day, appointed Mr. Beraldo as Managing Director of the Company and granted him the following strategic powers, with respect to OVS and its subsidiaries: (a) identify and implement strategies, formulate multi-year and annual plans and propose them to the Board of Directors for the approval thereof; (b) identify and implement a policy for the coordination and control of financial resources; (c) identify and implement a policy for the management and development of real property assets; (d) identify and implement guidelines for operations in general, including through control of the performance of the management structure, exercising powers of direction, coordination and control over management. In addition, the CEO was granted certain specific powers including, among others: (a) the power to represent the company; (b) the power to enter into agreements concerning goods and services; (c) the power to enter into financial transactions in general and guarantees; and (d) the power to enter into employment and labor agreements.

The Managing Director, Stefano Beraldo qualifies as Chief Executive Officer and does not hold the position as Director in any other listed company of which a Director of the Company is Chief Executive Officer.

4.4.2 CHAIRMAN OF THE BOARD OF DIRECTORS

The Chairman of the Board of Directors is vested with the powers prescribed by law and the By-laws with regard to the functioning of the corporate bodies and the legal representation of the Company towards third parties. The Chairman of the Board of Directors, appointed by the resolution of May 31,

2017, is Nicholas Stathopoulos. Pursuant to article 21 of the By-Laws the Chairman of the Board of Directors has the power to represent the Company. Members of the Board of Directors who have been given delegated powers also have the power to represent the Company within the limits of the delegation.

In particular, (a) pursuant to article 21.1 of the By-laws the Chairman has the power to represent the Company; (b) he chairs the Shareholders' Meeting pursuant to article 11.1. of the By-laws; (c) he calls and chairs the Board of Directors pursuant to articles 15 and 16.1 of the By-laws, he sets the agenda, coordinates the discussion, provides for that all the directors receive information regarding the items on the agenda and, in general, ensures its efficient functioning; (d) he verifies the implementation of the resolutions of the Board.

4.4.3 EXECUTIVE COMMITTEE (pursuant to article 123-bis, paragraph 2d) of the TUF)

At the date of this Report no Executive Committee had been created.

4.4.4 INFORMATION TO THE BOARDS

Pursuant to article 19.3 of the By-laws and in accordance with best practice, the Chief Executive Officer reports on a timely basis to the Board of Directors and to the Board of Statutory Auditors, and in any case at board meetings, at least quarterly on its activities, the overall performance of the business and its outlook as well as on the most important economic and financial transactions and those concerning the assets of the Company or Group, or at least the most important due to their size or nature, carried out by the Company and its subsidiaries.

For further details on the information provided by the Chief Executive Officer to the Board, see paragraph 4.3 above.

4.5. OTHER EXECUTIVE ADVISERS

At the date of this Report, the Issuer has not any other executive directors.

4.6 INDEPENDENT DIRECTORS

In compliance with the recommendations contained in article 3 of the Corporate Governance Code and in accordance with the requirements of article 13.3 of the By-laws, as described in paragraph 4.1, 4 Independent Directors are members of the Board of Directors at the date of the present Report: Gabriele Del Torchio, Heinz Jürgen Krogner Kornalik, Chiara Mio and Vincenzo Cariello, who are in possession of the independence requirements prescribed by the combined provisions of article 147-ter, paragraph 4 and article 148, paragraph 3 of the TUF. The Company believes that an adequate number of independent directors has been identified for the composition of both of the committees described in paragraphs 7 and 9.

The Directors Gabriele Del Torchio, Heinz Jürgen Krogner Kornalik, Chiara Mio and Vincenzo Cariello in the declaration of acceptance of office as Directors of the Company and certification requirements for the assumption of office, have shown their ability to qualify as independent and, simultaneously, are committed to promptly notifying the Board of Directors and the Board of Statutory Auditors of any changes regarding the requirements, including independence, as well as any supervening grounds for revocation.

On May 31, 2017, during the first meeting after the appointment, the Board has verified that the Directors, Gabriele Del Torchio, Heinz Jürgen Krogner Kornalik, Chiara Mio and Vincenzo Cariello

hold the independence requirements provided for by the combined provisions of articles 147-ter, paragraph 4 and article 148, paragraph 3, of Legislative Decree no. 58 of 24 February 1998, as well as the independence requirements recommended by article 3 of the Corporate Governance Code. On 31 May 2017, a price sensitive press release after the appointment of the Board by the Shareholders' Meeting informed the market on this verification.

The Board of Statutory Auditors verified the correct application of the criteria and procedures adopted by the Board to assess the independence of its members. On 31 May 2017, a price sensitive press release after the appointment of the Board by the Shareholders' Meeting informed the market on this verification.

The annual assessment on the existence of these requirements for each of the independent directors in compliance with the recommendations contained in article 3.C.4 of the Corporate Governance Code has been lastly performed by the Board of Directors on May 2, 2018.

In order to perform such assessment, the Board applied all the criteria set forth by the Code.

Taking into account the activities of establishment of the new Board of Directors and the new Committees, the Independent Directors have not met yet in the absence of the other Directors; it is noted that during the meetings of the Control, Risks and Sustainability Committee, composed of all the Independent Directors, also attended by the Board of Statutory Auditors, matters concerning the functioning of the Board of Directors and the governance issues of the Company were discussed.

4.7 LEAD INDEPENDENT DIRECTOR

In consideration of the fact that the conditions set by the Corporate Governance Code are not occurred, the Board of Directors has not identified a lead independent director.

5. TREATMENT OF CORPORATE INFORMATION

Communication with institutional investors and the market takes place in accordance with the "Internal Procedure for the treatment of confidential information and external disclosure of documents and information", approved by the Board of Directors on July 23, 2014, as amended and updated from July 3, 2016, which governs the management and the handling of confidential information and rules for the disclosure of documents and information concerning OVS and its subsidiaries, with particular reference to the Confidential Information as defined in article 181 of the TUF, and taking into account more generally, the legislation and regulations in force aimed at the prevention and prosecution of market abuse.

The Board of Directors, by means of resolutions adopted on July 23, 2014 and amended and updated from July 3, 2016 implemented:

- the procedure for the management and updating of the register of persons with access to inside information; and
- the procedure for the management of disclosure requirements arising from the internal dealing regulations.

In line with the highest standards of governance, members of the management body and the control body, individuals who carry out management functions and directors of the Company and its subsidiaries, as well as "relevant persons" and "persons closely associated to them" identified according to the procedure relating to insider dealing are forbidden to carry out transactions involving the

purchase, sale, subscription and trading of OVS shares and associated financial instruments identified according to the rules on insider dealing, during the so-called closed period lasting 30 days prior to the approval of the annual financial report, the half-year report and of the interim management reports (if any).

The procedures described are available on the Company's website www.ovscorporate.it in the section “*Governance/Regolamenti e Procedure*” to which reference should be made for full details.

6. BOARD COMMITTEES (pursuant to article 123-bis, paragraph 2d) of the TUF)

The Company, in connection with admission, and in order to be aligned with the best practices in the field of corporate governance adopted by listed companies and provided for by the Corporate Governance Code, established by way of the resolution of the Board of Directors of October 27, 2014 2013, and with effect from the First Day of Negotiations, the Nomination and Remuneration Committee and the Control and Risks Committee (the Control, Risks and Sustainability Committee as of September 20, 2017), and approved their internal rules of operation in implementing the recommendations contained in articles 4, 5, 6 and 7 of the Corporate Governance Code.

Pursuant to the recommendations of the Code, internal regulation of the Nomination and Remuneration Committee and of the Control, Risks and Sustainability Committee prescribe that both committees be composed of at least three non-executive directors, the majority of whom are independent, from whom the Chairman is chosen. At least one member of the Nomination and Remuneration Committee must have adequate knowledge and experience in financial and remuneration matters, while at least one member of the Control, Risks and Sustainability Committee must have adequate experience in accounting and finance or risk management.

The Company appointed also a Transaction with Related Parties Committee, pursuant to RPT Regulation

At the date of this Report, no committees have been constituted other than those recommended by the Corporate Governance Code or required by the RPT Procedure and RPT Regulation.

7. NOMINATION AND REMUNERATION COMMITTEE

7.1 COMPOSITION OF THE COMMITTEE

In consideration of the Company's organisational requirements, methods of operation and the size of its Board of Directors as well as the practice, the Company has established a single nomination and remuneration committee in accordance with the provisions of articles 4, 5 and 6 of the Corporate Governance Code.

As mentioned in paragraph 6 above, the Nomination and Remuneration Committee was established by a resolution of the Board of Directors of July 23, 2014 with effect from the First Day of Negotiations.

The current Nomination and Remuneration Committee has been appointed on June 12, 2017.

The Nomination and Remuneration Committee is composed by the following four non-executive directors, the majority of whom are independent: Gabriele Del Torchio (Independent Director and Chairman of the Nomination and Remuneration Committee), Heinz Jürgen Krogner Kornalik (Independent Director), Nicholas Stathopoulos (Non-Executive Director), and Vincenzo Cariello

(Independent Director). The Board also verified at the time of appointment that the Director Gabriele Del Torchio has adequate knowledge and experience in financial remuneration matters.

The proceedings of the Nomination and the Remuneration Committee are coordinated by the Chairman Gabriele Del Torchio.

During the Financial Year 2017, the Nomination and Remuneration Committee held 6 meetings (1 meeting held by the previous Committee and 5 meetings of the new appointed Committee); at least other 2 meetings of the Nomination and Remuneration Committee have been scheduled for the financial year 2018, in addition to the meetings held on April 10 2018 and April 18 2018. The average length of each meeting was approximately 1 hour .

7.2 FUNCTIONS OF THE COMMITTEE

The Nomination and Remuneration Committee has the task of assisting the Board of Directors, through enquiry, of a propositional and consultative nature, in evaluations and decisions related to the composition of the Board of Directors and to the remuneration of directors and executives having strategic responsibility.

The following functions are entrusted to the Nomination and Remuneration Committee:

As Nomination Committee:

- (a) provide opinions to the Board of Directors in relation i) to the size and composition of the Board and/or make recommendations regarding the professional figures whose presence on the Board is deemed to be appropriate, ii) to the maximum number of positions as director or auditor in companies listed on Italian or foreign regulated markets in financial, banking, insurance or large companies that can be considered compatible with an effective performance of a director of the listed issuer, taking into consideration the participation to committees as well as the individuation of the different general criteria with reference to the commitment of each role, also in consideration of the size and characteristic of companies (included the companies belonging to the Group), pursuant to article 1.C.3 of the Code; iii) and the shareholders' authorisations granted to the directors to act in derogation to the general prohibition of competition pursuant to article 2390 Italian Civil Code and article 1.C.4 of the Corporate Governance Code,
- (b) propose to the Board candidates for the office of director in the cases of co-optation, if necessary replace the independent directors
- (c) supervise the annual self-evaluation of the Board and of its Committees pursuant to the Corporate Governance Code, proving for the preliminary inquiry for the potential assignment to an external consultant for the self-evaluation.

As Remuneration Committee:

- (d) formulate to the Board of Directors proposals for the establishment of policy for the remuneration of managers with strategic responsibilities;
- (e) periodically assess the adequacy, overall consistency and the practical application of the policy for the remuneration of directors and managers with strategic responsibilities, making use in this latter regard the information provided by the managing directors; formulate proposals to the Board on the matter;
- (f) submit proposals or express opinions to the Board of Directors on the remuneration of executive directors and other directors assigned special tasks and on the setting of performance targets related to the variable component of the remuneration, monitoring the implementation of the decisions taken by the board itself and the actual achievement of performance targets.

With particular reference to stock options and other share based incentive systems, the Committee submits to the Board of Directors its recommendations, not binding, making proposal regarding their targets and evaluation criteria and monitoring the evolution and application over time of the plans approved by the Shareholders' Meeting on proposal of the Board of Directors.

The Nomination and Remuneration Committee has the right to access information and corporate functions and structures, ensuring appropriate operational and functional connections with these for the performance of their duties. It can make use of external consultants at the Company's expense, and in any case within the limits of the budget approved by the Board of Directors, subject to verification that such consultants are not placed in situations that compromise their independent judgment in practice and, in particular, shall not provide to the department of human resources, the directors or managers with strategic responsibilities services of such significance as to affect de fact the independence of judgment of the consultants themselves.

The Chairman of the Board of Statutory Auditors (or another statutory auditor appointed by him) takes part in the meetings of the Nomination and Remuneration Committee. Other statutory auditors may also take part. The Chairman of the Nomination and Remuneration Committee has the authority to call other people to Nomination and Remuneration Committee meetings whose presence may help to carry out the functions of the committee.

In line with the recommendations of article 6.C.6 of the Corporate Governance Code, no director shall participate in the meetings of the Nomination and Remuneration Committee in which proposals to the Board of Directors are drawn up relating to that person's remuneration.

The meetings of the Nomination and Remuneration Committee are minuted. The Chairman and the secretary shall sign the minutes of the meetings, which are kept by the secretary in chronological order.

At the date of this Report, the Board of Directors set an annual budget to be put at the disposal of the Committee equal to Euro 20.000, without prejudice to any assignments already conferred and to the Nomination and Remuneration Committee, if it deems it necessary, to request and find further financial resources for the performance of its assignments using the "Company Expenses" budget item in order to better safeguard its autonomy and independence.

The Chairman of the Nomination and Remuneration Committee reports (i) to the Board of Directors at least once every six months on its activity and (ii) to the Shareholders' Meeting on an annual basis on the approval of the financial statements about arrangements for the exercise of its functions.

The Nomination and Remuneration Committee reported to the Board of Directors on the activities performed during the Financial Year 2017, at least on April 18, 2018.

During the Financial Year 2017, the Nomination and Remuneration Committee, inter alia:

in its function as Nomination Committee

- (a) in consideration of the renewal of the management body, the Nomination and Remuneration Committee formulated proposals and non-binding opinions to the shareholders on managerial and professional skills, that should be deemed appropriate within the Board;
- (b) upon the Company's request, expressed its opinion in relation to the appointment of the Chair of the Control, Risks and Sustainability Committee;

in its function as Remuneration Committee

- (c) formulated to the Board of Directors proposals for the establishment of policy for the remuneration of directors and managers with strategic responsibilities, in particular giving

- opinions and non-binding proposals on targets regarding short term variable remuneration (MBO) and on the criteria to evaluate the achievement of the above-mentioned targets;
- (d) submitted its recommendations, not binding, making proposal regarding the Stock Option Plan 2015-2020 and the Stock Option Plan 2017-2022 suggesting the targets and evaluation criteria;
 - (e) monitored and verified the effective achievement of the performance targets, as stated by the Board of Directors, on variable remuneration of Directors and managers with strategic responsibilities;

In consideration of the renewal of the Board, the outgoing Nomination and Remuneration Committee had issued proposals and non-binding opinions to the shareholders on managerial and professional skills, that should be deemed appropriate within the Board.

8. REMUNERATION OF DIRECTORS

For all information on the general policy for the remuneration of Directors, reference should be made to the Report on Remuneration prepared pursuant to article 123-ter of the TUF, which is available at the Company's registered office and on its website www.ovsgroup.com in the section *Governance /Shareholders' Meeting*.

9. CONTROL, RISKS AND SUSTAINABILITY COMMITTEE

9.1 COMPOSITION AND FUNCTIONING OF THE CONTROL, RISKS AND SUSTAINABILITY COMMITTEE

As mentioned in paragraph 6 above, in accordance with the recommendations of article 7 of the Corporate Governance Code, the Board of Directors established the Control and Risks Committee, effective from the First Trading Day, approving the regulations for the operation of such.

The current Control, Risks and Sustainability Committee has been appointed on June 12, 2017.

The Control, Risks and Sustainability Committee is composed by the following three independent directors: Chiara Mio (as Chairman), Gabriele Del Torchio and Vincenzo Cariello. The Director Gabriele Del Torchio has adequate knowledge and experience in accounting and finance matters and risk management, assessed by the Board of Directors at the time of her appointment.

During the Financial Year 2017, the Control, Risks and Sustainability Committee held 6 meetings (1 meeting held by the previous Committee and 5 meetings held by the new appointed Committee); at least other about 3 meetings of the Committee have been scheduled for the financial year 2018, in addition to the two meetings held on January 31, 2018 and April 9, 2018. The average length of each meeting was approximately 2 hours.

9.2 DUTIES ASSIGNED TO THE CONTROL, RISKS AND SUSTAINABILITY COMMITTEE

The Control, Risks and Sustainability Committee has the task of assisting the Board of Directors, through enquiry, of a propositional and consultative nature, in evaluations and decisions relating to the internal control and risk management system, as well as those relating to the approval of periodic financial reports.

In particular, the Control, Risks and Sustainability Committee assists the Board of Directors in the performance of duties relating to:

- a) the definition of guidelines for the internal control and risk management system, so that the principal risks facing the issuer and its subsidiaries are correctly identified, and adequately measured, managed and monitored, establishing criteria to ensure the compatibility of such risks with a healthy and proper business management;
- b) periodic checks, carried out at least annually, as to the adequacy and effectiveness of the internal control and risk management system with respect to the characteristics of the Company and its risk profile;
- c) the approval at least annually of the work plan prepared by the Head of the Internal Auditing department;
- d) a description in the report on corporate governance, of the main features of the internal control and risk management system as well as the procedure for coordinating of the involved parties to assess its suitability;
- e) the evaluation, upon consultation with the Board of the Statutory Auditors, of the results illustrated in the reports of the external auditors and any management letter and in the report on key matters arising from the statutory audit; and
- f) the appointment and removal of the Head of the Internal Auditing.

To assist the Board of Directors, the Control, Risks and Sustainability Committee:

- a) assesses, together with the Manager assigned to drawing up the corporate accounting documents and after consulting with the auditing firm and the Board of Statutory Auditors, the correct use of the accounting principles and whether these have been applied consistently in preparing the consolidated financial statements;
- b) expresses opinions on specific aspects of the identification of the main business risks;
- c) examines the periodic reports relating to the evaluation of the internal control and risk management system and those of particular relevance prepared by the Internal Auditing department;
- d) monitors the independence, adequacy, effectiveness, and efficiency of the Internal Auditing department;
- e) may request the Internal Auditing department to perform checks on specific operational areas, after notifying the Chairman of the Board of Statutory Auditors;
- f) reports to the Board of Directors at least every six months, on the approval of the half-year and annual financial report, on its activity and the adequacy of the internal control and risk management system;
- g) perform any other duty that may be assigned to it by the Board of Directors.

The Control, Risks and Sustainability Committee is also competent in sustainability matters for the evaluation of the report on sustainability containing non-financial information pursuant to the European Directive 2014/95/EU. In its function as competent body in sustainability matters, the Control, Risks and Sustainability Committee: (i) supports and expresses opinions to the Board of Directors in sustainability matters, including the processes, the initiatives and the activities aiming at supervising the commitment of the Company in the sustainable development through the value chain; (ii) examines the contents of the report on sustainability which are relevant for the purposes of the internal control and the risk management and (iii) examines and evaluates the sustainability policies aiming at ensuring the creation of value over time for the generality of the shareholders and for all the other stakeholders over the medium-long term, in accordance to the principles of sustainable development and the orientation, objectives and the subsequent processes of sustainability and the sustainability reporting annually presented to the Board of Directors, including, in particular, the report on sustainability.

The Control, Risks and Sustainability Committee has the right to access the information and corporate functions necessary for the performance of its duties, and may use, at the expense of the Company, within the limits of the budget approved by the Board of Directors, external consultants who are not in situations which might jeopardise their independence of judgment.

The Chairman of the Board of Statutory Auditors (or another statutory auditor appointed by him) takes part in the meetings of the Control, Risks and Sustainability Committee. Other auditors may also take part. The Chairman may from time to time invite other members of the Board of Directors and Board of Statutory Auditors to meetings of the Control, Risks and Sustainability Committee, and also auditors, managers of corporate functions of the Company or other people whose presence may help to carry out the functions of the Control, Risks and Sustainability Committee itself.

The meetings of the Control, Risks and Sustainability Committee are minuted. The Chairman and the secretary shall sign the minutes of the meetings, which are kept by the secretary in chronological order.

As in the case of the Nomination and Remuneration Committee, at the date of this Report, the Board of Directors set an annual budget available to the Committee equal to Euro 20.000, without prejudice to the assignments already conferred and to the Control, Risks and Sustainability Committee, if it deems it necessary, to request and find further financial resources for the performance of its assignments using the “Company Expenses” budget item in order to better safeguard its autonomy and independence.

The Chair of the Committee reports to the Board of Directors on the activities performed at least biannually. The Control, Risks and Sustainability Committee lastly reported to the Board of Directors on April 18, 2018.

The Control, Risks and Sustainability Committee, pursuant to article no. 7 of the Code, Criteria 7.C.1, during the Financial Year 2017, inter alia:

- a) expressed its opinion to the Board of Directors with reference to the definition of the guidelines for the internal control and risk management system and checking as to the adequacy and effectiveness of the internal control and risk management system with respect to the characteristics of the Company and its risk profile;
- b) approved the work plan prepared by the Head of the Internal Auditing department, previous opinion of the Board of Statutory Auditors and of the Director in charge of the Internal Control and Risk Management System, monitoring implementation of the above-mentioned plan;
- c) evaluated, upon consultation with the Board of Statutory Auditors, of the results illustrated in the reports of the external auditors; and
- d) assessed, together with the Manager assigned to drawing up the corporate accounting documents and after consulting with the auditing firm and the Board of Statutory Auditors, the correct use of the accounting principles and whether these have been applied consistently in preparing the consolidated financial statements;
- e) examined the periodic reports relating to the evaluation of the internal control and risk management system and those of particular relevance prepared by the Internal Auditing department;
- f) expressed its favorable opinion for the appointment of the new person in charge of internal auditing, also evaluating its remuneration, monitoring its autonomy, adequacy, effectiveness and efficiency.

10. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

In accordance with the recommendations of article 7 of the Corporate Governance Code and best practice in the sector the internal control and risk management system adopted by OVS is the set of rules, procedures and organisational structures designed to ensure, through a proper process of identification, measurement, management and monitoring of the main risks facing the Company and the company's subsidiaries, a healthy and proper management consistent with the strategic objectives of the Company.

The internal control and risk management system involves, each for its own part:

- the Board of Directors, which defines the guidelines and evaluates the adequacy of the internal control and risk management system;
- the Control, Risks and Sustainability Committee with the duties described in paragraph 9 above, the duty of supporting, with adequate preparatory work and proposals, the evaluations and decisions of the Board of Directors relating to the system, as well as those relating to the approval of the periodic financial reports;
- the Director in charge of the Internal Control and Risk Management System, Stefano Beraldo, with tasks, set out in detail in paragraph 10.1, to identify the key business risks and implement the guidelines established by the Board of Directors;
- the Head of the Internal Auditing department, at the date of this Report Massimiliano Munari (formerly Marco Pessi), who is responsible for verifying that the internal control and risk management system is working properly, according to the duties set out in detail in paragraph 10.2;
- the Board of Statutory Auditors which, also as an audit and internal control committee pursuant to article 19 of Legislative Decree no. 39/2010, monitors the effectiveness of the internal control system and risk management.

Pursuant to the Criteria 1.C.1 letter b) of the Code, if the Board, if the Company proceeds to the definition of the next strategic plan, it will define the nature and level of risk compatible with the Issuer's strategic objectives, including in its assessment all risks that can be prominent in view of sustainability in the medium-long term.

Given the complexity of operations and taking into account that the assumption of risk is a fundamental and indispensable component of the business, the Board of Directors has assessed the importance of identifying and mapping in advance the main risks and activating suitable instruments to regulate these and reduce their impact. The Company therefore adopted a system of risk management based on the principles set out by the *Committee of Sponsoring Organizations of the Treadway Commission – CoSO Report – Integrated Framework and CoSO Enterprise Risk Management*.

Consistent with these aims the system of risk governance that the Company implemented has the following purposes:

- to spread within the company a culture of prevention and mitigation of risks;
- to ensure transparency on the risk profile and management strategies implemented through a structured and regular reporting to the Board of Directors and to senior management and shareholders.

The Risk Management system of OVS is also:

- extended to all types of risks potentially significant;
- focused on the most significant risks in terms of their ability to affect the achievement of the strategic objectives or to undermine the strategic corporate assets;
- based on an approach, where possible, of an accurate measurement of the risk impacts on the financial results expected in terms of their probability of occurrence;

On April 22, 2015 the Board of Directors, upon the proposal of the Director in charge of the internal control and risk management system and after receiving the favourable opinion of the Control and Risks Committee and the Board of Statutory Auditors, approved the guidelines of the Risk Management system of the Company to identify, oversee, and govern the areas of risk by ensuring the achievement of the strategic and operational objectives, the reliability of financial reporting, compliance with laws and regulations and the protection of company assets.

The risks identified can be both internal and external to the company, therefore linked to the context of the sector and/or market where the probability of occurrence is outside the sphere of business influence. In the case of external risks the objective of the Risk Management system is the monitoring of the risk itself and mitigation of impact in the event of occurrence. In the case of risks of an internal nature, the objective of the Risk Management system is the management of risk through specific systems of prevention and control integrated in the business processes, aimed at reducing the probability and/or minimising the impact in case of occurrence.

The Group's exposure to strategic, business and operational risks and the related mitigation actions are included in Risk Assessment, which is presented to the management and control bodies, for the potential launch of corrective actions as well.

The Board of Directors is responsible for coordinating and supervising the Risk Management process so that the risks assumed in the business are consistent with strategies.

The Control, Risks and Sustainability Committee is responsible for assisting the Board to (i) identify and evaluate the main risks affecting the Company and its subsidiaries so that they are appropriately monitored and (ii) to define and update the mitigation plans and overall management of risks.

The Director in charge of the internal control system is responsible for (i) identifying the main business risks, taking into account the characteristics of the business and operations conducted by the Company and the Group and (ii) dealing with the design, implementation and management of the internal control and risk management system constantly monitoring its adequacy and effectiveness.

The administrative and control bodies express specific assessments of each investment project, especially with reference to the expansion of the retail channel in emerging markets. The investment evaluation projects takes into account the most significant risks considered such as country risk, the robustness and reliability of local partners, the location of the stores, the multiannual constraints arising out of the contracts with landlords, the anti-counterfeiting activities aimed to protect the image and corporate profitability in countries in which business is developed.

With reference to the outcome of the activities conducted, the Director responsible for the internal control system and the Control, Risks and Sustainability Committee, to the best of their ability, have shown that the current internal control and risk management system is reasonable in relation to size and the organisational and operational structure of the Group, with room for improvement. In particular, the Committee, on the basis of the evidence obtained in carrying out its work, specifies that the aforementioned system of the Company is overall adequate, while noting the need to continue with the improvement of the Internal Auditing Function, which the Company has already undertaken with the appointment of a new manager, going to strengthen the structure; in fact, as of today, any structural weaknesses have been compensated through the help of third parties, who provide a mainly operational contribution.

As part of the above, the Board of Directors of the Company on April 18, 2018, acknowledging the view expressed by the Control, Risks and Sustainability Committee on April 9, 2018 and the Director in charge of the internal control system, assessed the internal control system as substantially adequate,

noting the ability of such to mitigate each of the risks described above, however highlighting room for improvement, taking into consideration the suggestions of the Committee pertaining to the implementation of the structure of the internal auditing function.

The Board of Directors, subject to the opinion of the Control, Risks and Sustainability Committee, acquired the opinion of the Statutory Auditors and of the Director responsible for the internal control system, annually approves the work plan prepared by the Head of the Internal Auditing department.

The work plan relating to 2018 has been approved by the Board of Directors on April 18, 2018 upon the favorable opinion of the Control, Risks and Sustainability Committee, who approved the plan on April 9, 2018, acquired the opinion of the Statutory Auditors and of the Director responsible for the internal control system.

Main features of the internal control and risk management system in relation to the financial reporting process pursuant to article 123-bis, paragraph 2b) of the TUF

The internal control system for the financial reporting process is an integral part of, and fits into the broader context of the system of, internal control and risk management. In general, the internal control system set up by the Company is intended to ensure the safeguarding of assets, in compliance with laws and regulations, the efficiency and effectiveness of business operations as well as the reliability, accuracy and timeliness of financial disclosure itself.

The internal control system for financial disclosure aims to identify and assess the events that may on occurrence threaten the credibility, accuracy, reliability and timeliness of financial information and the ability of the process for preparing the financial statements as a whole to produce financial information in accordance with the relevant accounting standards.

The design approach in the construction of the control model of the process of financial reporting was inspired by international standards and best practices in the sector as well as to the guidelines issued by the *Committee of Sponsoring Organizations of the Treadway Commission*.

The administrative and accounting procedures for the preparation of financial statements and any other financial reports are prepared under the responsibility of the Manager Assigned, who together with the Chairman of the Board of Directors, certifies their adequacy and effective application on the issue of the Company's annual and consolidated financial statements and half-year financial statements.

a) Phases of the internal control and risk management system in relation to the financial reporting process

Since the fiscal year 2015, along with the listing process and later, the Group has embarked on a path of adjustment to the recommendations of Law no. 262/2005 finalised to document the pattern of management on the financial reporting process, as well as to perform specific tests of controls identified as part of the administrative and accounting system and to support the certification process by the Manager Assigned.

As part of this project, a risk assessment has been carried out which has enabled the Company to identify the relevant companies of the Group and, in particular, the subsidiaries with a strategic relevance and the main business processed that feed the income statement and balance sheet through both quantitative (numerical significance of each company on the consolidated amounts) and qualitative (specific risk and potential related to the business and activities carried out) analyses.

Within the relevant companies, financial statement items were selected together with the business processes feeding these items, thus arriving at a matrix of business processes/legal entities for which the risks associated with failure to achieve the control objectives were identified, with the aim of ensuring a true and fair view of the financial information.

In general, the objectives of control for the process of financial reporting are related to the typical financial statement assertions such as the existence, completeness and accuracy of accounting records, the rights and obligations and the assessment of operations and the presentation of disclosures. The objectives are also linked to other elements that characterise the internal control environment and business organisation such as, for example, the segregation of duties, compliance with the rules of conduct and authorisation limits, the physical security of assets, the documentation and traceability of operations.

The analyses of the scope and risks related to financial reporting are regularly updated in order to identify major changes in the structure of the administrative and accounting processes as a result of the natural evolution of the business and the organisation of the Group.

Following the risk assessment phase, after the identification of the matrix of processes and controls the Company sets out the approach to be taken in the testing stage to ensure the adequacy and operation of key controls, in order to contain and/or reduce the residual risk to an acceptable level. The approach takes into account the way in which controls are carried out, separating these between manual checks, automated checks at an application system level and general checks of the computer system and the frequency of the checks themselves.

b) Role and functions involved

The internal control and risk management system relating to the financial reporting process is coordinated and managed by the Manager Assigned, Nicola Perin, appointed by the Board of Directors in accordance with the laws and statutory provisions in force.

The Manager Assigned avails himself of the Internal Auditing department to test the working of the control system, and is supported by the heads of function who, each for their area of competence, ensure the completeness and reliability of information flows for the purpose of preparing the financial documents.

The Manager Assigned has direct responsibility for verifying the correct and timely execution of management tasks in administrative, accounting and financial operations, being called upon to supervise all phases of a continuous monitoring and evaluation of the risks inherent in the financial reporting process.

The Manager Assigned shall periodically inform the Board of Statutory Auditors on the organisation, including its adequacy, and reliability of the accounting system and reports to the Control and Risks Committee and to the Board of Directors on his activities and on the effectiveness of the internal control system with regard to the risks concerning the financial statement disclosures.

As a result of the activities and controls carried out, the Manager Assigned issues the certifications required by article 154-*bis* of the TUF.

In particular, pursuant to:

- (i) article 154-*bis*, paragraph 2 of the TUF, the acts and communications of OVS, disclosed to the market and relating to the financial reports, including interim financial information, are

- accompanied by a written statement of the Manager Assigned who certifies that these correspond to the accounting books and records;
- (ii) article 154-*bis*, paragraph 5 of the TUF, the Manager Assigned and the Chief Executive Officer certify by means of a special report on the annual financial statements, the condensed half-year financial statements and the consolidated financial statements:
- a) the adequacy and effective application of administrative and accounting procedures during the period covered by the documents;
 - b) that the documents have been prepared in accordance with the international accounting standards adopted by the European Community pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
 - c) that the documents correspond to the books and records;
 - d) the suitability of the documents to provide a true and fair view of the balance sheet, results and financial position of the issuer and the group of companies included in the consolidation;
 - e) that as far as the annual financial statements and the consolidated financial statements are concerned, the report on operations includes a reliable review of the performance and results of operations, as well as the situation of the issuer and the companies included in the consolidation, together with a description of the principal risks and uncertainties to which they are exposed;
 - f) that as far as the condensed half-year financial statements are concerned, the interim report on operations includes a reliable review of the information required by paragraph 4 of article 154-ter of the TUF.

10.1. DIRECTOR IN CHARGE OF INTERNAL CONTROL AND RISK MANAGEMENT

In support of the system of internal control and risk management the Board of Directors of the Company confirmed on May 31, 2017, following the renewal of the Board of Directors, Stefano Beraldo as Executive Director, to be in charge of the internal control and risk management system in implementation of the recommendations contained in articles 7.P.3.a) and 7.C.4. of the Corporate Governance Code.

In the implementation of the assigned functions, as described in paragraph 10 above, the Director responsible for the internal control and risk management system, with the support of the competent executives in the various reference areas:

- has been responsible for identifying the business risks, taking account of the strategies and characteristics of the business of the Company and of the Group;
- has implemented the guidelines defined by the Board, providing for the design, implementation and management of the internal control system and constantly monitoring its overall adequacy and effectiveness;
- has been entrusted with adjusting the system of internal control to the business dynamics and the changing operating conditions within the legal and regulatory reference framework.

Stefano Beraldo has the power to ask the Internal Auditing department to perform checks on specific areas of operation and compliance with the internal rules and procedures in the execution of business operations, also notifying the Chairman of the Control, Risks and Sustainability Committee and the Chairman of the Board of Statutory Auditors.

In carrying out his functions, the Director in charge of the Internal Control and Risk Management System has so far found no critical issues, nor has he received news of any critical issues to be promptly brought to the attention of the Control, Risks and Sustainability Committee and the Board of Directors.

10.2. HEAD OF INTERNAL AUDITING DEPARTMENT

The Board of Directors of the Company, upon the proposal of the Director in charge of internal control and risk management and the favorable opinion of the Control, Risks and Sustainability Committee, appointed Massimiliano Munari as Head of the Internal Auditing function on March 22, 2018, in line with the recommendations of articles 7.P.3 b) and 7.C.5. of the Corporate Governance Code.

The former Head of the Internal Auditing was Marco Pessi, appointed on October 27, 2014, with effect from the First Day of Negotiations.

On nomination, the Board of Directors determined the remuneration of the Head of the Internal Auditing function in accordance with the corporate policies responsible for giving the full economic autonomy for the discharge of the duties, within the limits of the overall annual budget allocated to the Internal Auditing function and subject to any additions and changes deemed necessary that may be inspected and approved by the Board of Directors at any time, upon proposal of the Director in charge of the Internal Control and Risk Management System, with the prior approval of the Control, Risks and Sustainability Committee and after consulting with the Board of Statutory Auditors. Without prejudice to the above, the budget set for 2018 available for the internal auditing function is equal to Euro 180,000 more Euro 20,000 allocated as Supervisory Committee's budget.

The Head of the Internal Auditing function is not responsible of any business area and reports to the Board of Directors in the exercise of his functions and provides the required information to the Director in charge of the internal control system and risk management, the Board of Statutory Auditors and the Control, Risks and Sustainability Committee.

In particular, the Head of the Internal Auditing function:

- verifies that the system of internal control and risk management is working properly;
- verifies, both on an on-going basis and in relation to specific needs and in compliance with international standards, the operation and the suitability of the system of internal control and risk management through the auditing plan prepared by the same approved by the Board of Directors, based on a structured analysis and prioritisation of key risks;
- prepares periodic reports containing adequate information about their work, the way in which risk management is conducted, with respect to the defined plans for their control, as well as an evaluation of the suitability of the system of internal control and risk management;
- prepares timely reports on events of major importance;
- transmits these reports to the Chairmen of the Board of Statutory Auditors, the Control, Risks and Sustainability Committee and the Board of Directors and the Director in Charge of Internal Control System and Risk Management; and
- verifies, as part of the auditing plan, the reliability of information systems including accounting systems.

The Head of the Internal Auditing function has direct access to all relevant information for performing his duties and where necessary has also access to the documents produced by third parties entrusted with positions of control in the Company or other subsidiaries. The Internal Auditing function carries out its activities also conducting sample checks on the processes that regulate corporate activity, extending the verification activities to all companies of the OVS Group.

The Head of the Internal Auditing function reported during the Fiscal Year to the Board of Directors, the Board of Statutory Auditors, the Control, Risks and Sustainability Committee and the Director in charge of the internal control system and risk management on the implementation of 2017 Auditing Plan.

He also illustrated to the aforementioned bodies the new Auditing Plan 2018 with report on April 18, 2018, which was approved by the Board of Directors on the same date, subject to the favorable opinion of the Control, Risk and Sustainability Committee, which resolved on the point on April 9, 2018, after consulting the Board of Statutory Auditors and the Director in charge of the internal control system.

The internal audit function during the year 2017 in order to carry out the audit activities envisaged in the annual plan, availed itself of the assistance of external consultancies specialized in the activity of "Risk Consultant" (Ernst & Young Financial-Business Advisors) S.p.A., Protiviti S.r.l.), which have made a mainly operational contribution to obtaining data.

With particular reference to the Financial Year 2017, the auditing activities mainly concerned the following areas: (i) Franchising; (ii) Privacy; (iii) Country-Risk and (iv) e-commerce. Then, the Internal Auditing function carried out a role of support to the evaluation and control activities of the Manager Assigned and of the Supervisory Body.

10.3. ORGANISATIONAL MODEL pursuant to Italian Legislative Decree no. 231/2001

By way of a resolution dated October 27, 2014, the Company's Board of Directors approved the adoption of the organisational and management model under Legislative Decree no. 231 of 8 June 2001 (the "**Model**").

The Model is constantly updated in order to adapt it to the law and case-law developments.

The Model, after its adoption, was reviewed in 2016 (approved by the Board of Directors on December 14, 2016, upon approval of the Supervisory Board) in order to update it according to the company organization and to absorb the environmental crimes, the self-laundering and the update of the so-called corporate crimes. This new version of the Model, drawn up with the support of an expert consultant, was updated and adapted to the current business organization and to the new Issuer's internal procedures, including, among other things, the new environmental crimes, self-money laundry and the updated the accounting crimes.

The Model was also reviewed in 2017 in consideration of the need of integrating the regulatory amendments implemented in 2017 and its updated version, prepared with the support of an expert, has been approved by the Board of Directors on April 18, 2018 upon favorable opinion of the Supervisory Board.

The Model of OVS consists of two parts. The first one, of a general nature, explains the purpose, recipients and components of the preventive control system of the Model itself and, always in line with the explanations found in Legislative Decree no. 231/2001, the structure, functioning and tasks of the Supervisory Body, which, pursuant to article 6 of Legislative Decree no. 231/2001, has the task of supervising the functioning of the Model and compliance with its requirements.

The first part of the Model also requires the Company's personnel to be involved in training and be provided with information on the contents of the Model and the disciplinary system in the event of infringements of the provisions of the Model.

On the other hand the second part of the Model, of a special character, contains a description of the type of offences contemplated by Legislative Decree no. 231/2001 and the relative penalties with respect to the risk of committing the above-mentioned infringements identified in the Model.

The type of offences that the Model intends to prevent, on the basis of the existing mapping of risks carried out with the objective of adoption, are as follows, mainly:

- offences against the Public Administration;
- offences related to corporate law and private corruption;
- offences related to manslaughter and culpable serious or very serious injuries, committed in violation of safety regulations and health and safety at work; crimes on the recruitment of foreign workers;
- offences of receiving, laundering, self-money laundry use of money, goods or assets of illicit origin;
- forgery offences relating to trademarks, patents and brands; offences relating to infringement of copyright;
- offences related to market abuse;
- computer offences and unlawful data processing; and
- offences related to environmental law

The General part of the Model is made available to the public on the web site of the Company www.ovscorporate.it Section Governance/Corporate Documents.

The requirements contained in the Model are complementary to those of the Code of Ethics of the Company, which describes the commitments and ethical responsibilities in conducting business and corporate activities in which every employee and all those with whom the Company enters into contact during its activities, must comply in the conduct of their business, in the belief that ethics in the conduct of business are critical to the success of the business.

At the Date of the Report, the Supervisory Body is composed by Andrea Lionzo (as Chairman), Roberto Cortellazzo Wiel and Marco Pessi.

For full compliance with Legislative Decree no. 231/2001, the Supervisory Body is an entity that reports directly to the senior management of the Company and is not bound to business operations by any hierarchical structure in order to guarantee its full autonomy and independence in the discharge of its functions.

The Supervisory Board lastly reported to the Board of Directors on the activities carried out on April 18, 2018.

10.4. AUDITING FIRM

Pursuant to Article 13 of Italian Legislative Decree no. 39 of 27 January 2010, on July 23, 2014 the ordinary Shareholders' Meeting of the Company, on the proposal of the Board of Statutory Auditors, resolved to appoint the auditing firm PricewaterhouseCoopers S.p.A., via legal office in Milan, Via Monte Rosa n. 91, registered at no. 43 of the "*Albo Speciale delle Società di Revisione*" of the Italian Ministero dell'Economia e delle Finanze and no. 119644 of the Italian "*Registro dei Revisori Legali*", to perform an audit of the annual and consolidated financial statements of the Group for the financial years ended from January 31, 2015 to January 31, 2023, to perform a review of the consolidated half-year financial statements for that nine-year period and to ensure that the Company has kept proper accounting books and records and that its operations have been properly recognized in those books and records during that period.

10.5. MANAGER ASSIGNED TO DRAWING UP THE CORPORATE ACCOUNTING DOCUMENTS AND OTHER ROLES AND FUNCTIONS OF THE COMPANY

On June 16, 2017, the Board of Directors, upon the favorable opinion of the Statutory Auditors, confirmed Nicola Perin as Manager assigned to drawing up the corporate accounting documents, in

compliance with the provisions of article 154-*bis* of the TUF and the requirements established by article 19.4 of the By-laws (“**Manager Assigned to Drawing-up the Corporate Accounting Documents**” or “**Manager Assigned**”).

Article 19.4 of the By-laws provides for this officer to be appointed, subject to the mandatory opinion of the Board of Statutory Auditors, from those holding significant professional experience in accounting, finance and economics for at least 5 years.

Recalling what has already been described in paragraph 10, in accordance with current law the Manager Assigned is responsible in particular for:

- i. setting up adequate administrative and accounting procedures for the preparation of the annual accounts and consolidated financial statements of the Company as well as any other financial documents;
- ii. releasing written declarations which attest to the correspondence to the accounting books and records of documents and communications of the Company issued to the market including interim accounting information;
- iii. making together with the Managing Director the declarations provided for in article 154-bis, paragraph 5 of the TUF in a report drawn up in accordance with the model established by Consob regulations, annexed to the annual financial statements, to the half-year condensed financial statements and to the consolidated financial statements;
- iv. participating in meetings of the Company’s Board of Directors having as their agenda an examination of the Company’s economic and financial data;
- v. reporting forthwith to the Managing Director, to the Board of Directors, also through the Control, Risks and Sustainability Committee, any significant relevant aspects which it is believed, if not corrected, should be stated in the declarations pursuant to article 154-bis of Legislative Decree no. 58/1998;
- vi. reporting every six months to the Board of Directors, the Control, Risks and Sustainability Committee and the Board of Statutory Auditors on the activity performed.

On his appointment, the Board granted the Manager Assigned all the powers and means to perform the tasks assigned to him by current legislation and the By-laws, including direct access to all functions, offices and information necessary for the production and testing of the accounting, financial and economic data, without any authorisation.

At the date of this Report, the Board of Directors of the Company has not appointed any officers in charge of the internal control and risk management other than those described so far.

10.6. COORDINATION BETWEEN THE PARTIES INVOLVED IN THE SYSTEM OF INTERNAL CONTROL AND RISK MANAGEMENT

The Company has scheduled meetings, as methods of coordination between the subjects involved in the system of internal control and risk management, at least once every six months, with the participation of all parties with control functions or in any way connected with the system of internal control and risk management.

During the Financial Year 2017, two meetings of the Control, Risks and Sustainability Committee took place involving the members of the Control, Risks and Sustainability Committee, the Director in charge of the internal control system and risk management, the Head of the Internal Audit department, the Manager assigned to drawing up the corporate accounting documents, the Board of Statutory Auditors, representatives of the auditing firm.

11. INTERESTS OF DIRECTORS AND RELATED PARTY TRANSACTIONS

11.1 RELATED PARTY TRANSACTIONS' RULES

Under article 25 of the By-laws, the Company approves the operations with related parties in accordance with applicable laws and regulations in force, the provisions of the By-laws and the procedure definitely adopted on April 22, 2015, having obtained the positive opinion of the Independent Directors in accordance with article 2391-bis of the Civil Code and the RPT Regulation (the “**RPT Procedure**”).

In accordance with the RPT Regulation, the RPT Procedure regulates the procedures for examining and approving transactions with related parties defined of greater importance on the basis of the criteria set out in the RPT Regulation and transactions with related parties defined of minor importance, by which are meant those other than transactions of greater importance and minor transactions in accordance with the RPT Regulation.

The RPT Procedure is available on the Company's website www.ovscorporate.it in the section *Governance / Regolamenti e Procedure*, to which reference should be made for full details.

11.2 RELATED PARTY TRANSACTIONS' COMMITTEE

The Company established an internal committee for the transactions with related parties pursuant to the RPT Procedure and the RPT Regulation. The members of the Related Parties Committee are the directors: Gabriele Del Torchio (Chairman), Heinz Jürgen Krogner Kornalik (Non-Executive Director), Chiara Mio (Non-Executive Director) and Vincenzo Cariello (Non-Executive Director), who hold the independence requirements established by the applicable law and by the Corporate Governance Code adopted by the Company.

During the Financial Year 2017, the Committee met 4 times and the average duration of the meetings is about 2 hours.

The Committee shall perform the duties set forth in the applicable laws and regulations, as well as in the RPT Procedure. Without prejudice to the provisions of article 4, paragraph 3, of Consob Resolution n. 17221 March 12, 2017, the Committee may propose to the Board of Directors amendments or integrations to the aforesaid Procedure.

The Committee shall be entitled to request any information necessary for the performance of its duties. The Committee may also avail itself, at the expense of the Company, of the assistance of one or more experts of its choice, identified among individuals of proven independence, professionalism and expertise on the subject-matter of the Related-Party Transactions on which the Committee is required to issue its opinion.

The Chairman of the Board of Statutory Auditors, or another Standing Statutory Auditor appointed by the Chairman, takes part in the work of the Committee; in any case the other auditors may also attend. The Chair of the Committee may, on the occasion of each meeting, invite other members of the Board of Directors, or executives or third parties whose presence may help the Committee to better perform its duties

The Committee's meetings shall be documented in minutes, signed by the person who chairs the meeting and the secretary. The secretary shall also be in charge of keeping those minutes in a chronological order.

As in the case of the other internal Committees, at the date of this Report, the Board of Directors set an annual budget available to the Committee equal to Euro 20.000, without prejudice for the Committee, if it deems it necessary, to request and find further financial resources for the performance of its assignments using the “Company Expenses” budget item in order to better safeguard its autonomy and independence.

The Committee during the Financial Year 2017 was involved in a transaction with related parties of less importance regarding some stores and it expressed its favorable non binding opinion.

11.3 INTERESTS OF DIRECTORS

At the date of this Report, the Board of Directors did not deem it necessary to adopt, in addition to the RPT Procedure and the reporting requirements set out in article 2391 Civil Code, a specific procedure for the identification and management of situations where a director is the holder of an interest on his own behalf or that of a third party.

12. APPOINTMENT OF STATUTORY AUDITORS

Under article 24 of the By-laws, the regular and deputy statutory auditors are appointed by the Shareholders’ Meeting in compliance with the pro tempore regulations currently in force concerning gender balance, on the basis of lists presented by shareholders in accordance with the laws and regulations in force from time to time present in article 148 of the TUF and article 144-*quinquies* and following of the Consob Issuers’ Regulation, in which candidates must be listed with a sequential number and must be in a number not exceeding the members of the body to be elected. Each list must be composed of two sections: one for the appointment of regular statutory auditors and one for the appointment of deputy statutory auditors. The first candidate in each section must be selected from among the auditors enlisted in the appropriate register referred to in article 2397 of the Civil Code.

The lists that have a total number of candidates equal to or greater than three shall be made from candidates belonging to both genders, so at least one-third (rounded upwards) of the candidates for the office of regular statutory auditor and at least one-third (rounded upwards) of the candidates for deputy auditor belongs to the less well represented gender in the list.

The right to present the lists is entitled only to shareholders who, alone or together with other shareholders, hold shares representing at least 2.5% of the share capital or of other shareholding capital established by the laws and regulations in force.

Each shareholder has the right to submit or participate in the presentation of only one list and each candidate may appear on only one list on penalty of ineligibility.

Along with each list, within the deadlines for submission prescribed by law, declarations in which the individual candidates accept their candidacy and attest, under their own responsibility, that there are no causes of ineligibility and incompatibility, as well as the existence of the regulatory and statutory requirements for the position, must be filed. The list that does not comply with the provisions referred to above is considered as not presented. Along with the statements, a curriculum vitae on the personal and professional characteristics and including the list of administration and control duties of each candidate held in other companies must be filed for each candidate.

The provisions of law and regulations in force from time to time apply for the presentation, filing and publication of the lists. The lists are divided into two sections: one for candidates for the office of

regular statutory auditor and the other for candidates for the office of deputy statutory auditor. Each person entitled may vote for only one list.

Statutory auditors are appointed as follows:

- (a) two regular statutory auditors and one deputy statutory auditor are elected from the list that obtained the highest number of votes, based on the sequential order in which they appear in the list;
- (b) the remaining regular statutory auditor - who will take the office of Chairman - and one deputy statutory auditor are taken from the second list that has obtained the highest number of votes and found not to be connected in any way, directly or indirectly, with those who presented or voted for the first list with the highest number of votes on the basis of the sequential order in which they appear in the list. In the event that minority lists obtain the same number of votes, the candidate of the list, regular statutory auditor and deputy statutory auditor, being the eldest shall result as elected;
- (c) in the event one list alone is submitted, the Board of Statutory Auditors is drawn entirely from this subject to having obtained the approval of a simple majority of the votes.

If the methods above do not assure the composition of the Board of Statutory Auditors, in its full number of members, in compliance with the pro tempore legislation regarding gender balance, in the context of the candidates for the office of regular statutory auditor from the list that obtained the highest number of votes, the necessary replacements shall be performed according to the sequential order in which candidates are listed.

If the legal and statutory requirements are not met, the statutory auditor forfeits the office. In the event of the replacement of a statutory auditor, the deputy an auditor belonging to the same list as the outgoing one takes his place or, failing that, in the event of termination of the minority member, the next candidate on the same list as the outgoing auditor or, alternatively, the first candidate from the minority list that has obtained the second highest number of votes.

It is understood that the Chair of the Board of Statutory Auditors shall remain with the minority auditor and that the composition of the Board shall comply with the regulations currently in force concerning gender balance.

When the Shareholders' meeting is due to appoint the regular and/or deputy statutory auditors to set up the Board of Statutory Auditors, the procedures shall be as follows: if it is necessary to replace elected auditors in the majority list, the appointment shall be made by a majority vote on any list; if there is the need to replace elected auditors in the minority list, the Shareholders' Meeting replaces them on a simple majority vote, choosing where possible between the candidates on the list of which the auditor to be replaced was part, or on the minority list that has the second highest number of votes.

If the application of these procedures does not allow, for any reason, the replacement of the statutory auditors appointed by the minority, the meeting will take measures for a relative majority vote, subject to submission of nominations by shareholders who, alone or together with others, are in total holders of a number of shares with voting rights representing at least the percentage indicated above in relation to the procedure for the submission of lists; however, the results of this last vote will not take into account the votes of shareholders who, according to communications made under the current legislation, hold, directly or indirectly or jointly with other shareholders that are party to a relevant shareholders' agreement pursuant to article 122 of the TUF, a relative majority of the voting power which can be exercised in the meeting, as well as shareholders that control, are controlled by or are under the common control of the same.

Replacement procedures mentioned above must in any case ensure compliance with the laws and regulations in force on gender balance. The outgoing auditors can be re-elected.

The By-laws do not contemplate the election of more than one minority auditor.

13. COMPOSITION AND FUNCTIONING OF THE BOARD OF STATUTORY AUDITORS (pursuant to article 123-*bis*, paragraph 2d) of the TUF)

Under article 24 of the By-laws, the Shareholders' Meeting appoints the Board of Statutory Auditors, consisting of three regular statutory auditors and determines their remuneration. The Shareholders' Meeting also elects two deputy statutory auditors. The powers, duties and term of office of the statutory auditors shall be those established by law.

The Board of Statutory Auditors, in charge at the date of this Report, was appointed by the Shareholders' Meeting on May 31, 2017. The board remains in office until approval of the financial statements for the year ended January 31, 2020.

For the purposes of the above-mentioned appointment, two lists have been submitted:

List no. 1, submitted by the shareholder Gruppo Coin S.p.A. (owner of, as of the date of submission of the list, an overall amount of 95,607,299 ordinary shares of the Company, equal to 42.117% of the share capital with voting right in the Meeting and owner of, as of the date of the Meeting, no. 68,485,898 ordinary shares of the Company, equal to 30.169% of the share capital with voting right), composed of the following names: Section I – Standing Auditors (1) Roberto Cortellazzo Wiel, (2) Eleonora Guerriero, (3) Francesco Pozzebon; Section II – Alternate Auditors (1) Antonella Missaglia, (2) Emilio Vellandi.

List no. 2, submitted by some shareholders (owners of, as of the date of submission of the list, an overall amount of 6,411,209 ordinary shares of the Company, equal to 2.82432% of the share capital with voting right in the Meeting), composed of the following names: Standing Auditors (1) Paola Camagni and Alternate Auditors (1) Stefano Poggi Longostrevi.

List no. 1, submitted by Gruppo Coin S.p.A., received votes equal to about 50.42% of the voting share capital ("Majority List"), whereas List no. 2 received votes equal to about 49.13% of the voting share capital ("Minority List").

The appointed Board of Statutory Auditors is therefore composed of: Paola Camagni (Chair) drawn from the Minority List, the Standing Auditors Roberto Cortellazzo Wiel and Eleonora Guerriero drawn from the Majority List; the Deputy Auditors Antonella Missaglia drawn from the Majority List and Stefano Poggi Longostrevi drawn from the Minority List.

The members of the Board of Statutory Auditors are:

First and last name	Role
Paola Camagni	Chair of the Board of Statutory Auditors
Roberto Cortellazzo Wiel	Standing Auditor
Eleonora Guerriero	Standing Auditor
Antonella Missaglia	Deputy Auditor
Stefano Poggi Longostrevi	Deputy Auditor

Reference should be made to **Table 3** in the appendix for full details of the composition of the Board of Statutory Auditors.

The brief *curricula vitae* of the members of the Board of Statutory Auditors, which indicate the expertise and experience they have gained in the field of business management and their positions are attached hereto.

The Company adapted to the provisions of Articles 147-*ter*, paragraph 1-*ter*, and 148, paragraph 1-*bis*, of the TUF on the gender balance (male and female) in the composition of the Board of Statutory Auditors on its first renewal, following the listing of the Company's shares at the Mercato Telematico Azionario organized and managed by Borsa Italiana S.p.A., pursuant to Consob resolution DIE no. 0061499 on July 18, 2013, occurred with the Shareholders' Meeting held on May 31, 2017. During the appointment of the body, the Company imposed the respect of such balance.

The current Board is composed of 3 women (Chair, one Standing Auditor and one Alternate Auditor) and 2 men (one Standing Auditor and one Deputy Auditor); they are between 40 and 60 years old.

As stated in the Code of Ethics, OVS recognizes people's value and undertakes to offer equal job opportunities without discriminations based on ethnic groups, religion, opinions, nationality, gender, physical conditions, age, social status, and positively values "diversity" situations which become even more important in light of the internationalization process that the group is carrying on. The commitment goes beyond the disapproval and the sanction of any form of discrimination or limitation of the professional or human growth caused by prejudices or behaviors hostile to diversity: the Group wants to proactively enhance and promote an inclusive environment, friendly to everyone's needs, where everyone can express at their best their potentialities, appreciating the expression of different points of views and the personal contribution as an element of enrichment and development.

The Board of Directors of March 22, 2018 determined that, during this financial year, the Company will formalize what already happens in practice, also taking into account the practice that will be followed by the other issuers, in accordance with the following, namely that the Company, in addition to implementing the regulations in force, will pursue the diversity in relation to the composition of the corporate bodies taking into account the age, the gender composition and the educational and professional backgrounds, also at an international level.

All the members of the Board of Statutory Auditors meet the independence requirements provided for in article 148, paragraph 3, of the TUF and, as stated in the respective *curricula vitae* and additional information provided in this paragraph, the requirements of integrity and professional qualifications required by article 148 of the TUF and the implementing regulations adopted by the Decree of the Ministry of Justice no. 162/2000.

During the presentation of the lists for the appointment of the Board of Statutory Auditors, all the auditors have also certified, with specific declarations, (i) that there are no grounds for their ineligibility, revocation, or incompatibility, (ii) that they meet all integrity, independence, and professionalism requirements, in compliance with law and with the bylaws, for the office of auditor of OVS which is a listed company; (iii) that they do not hold management or control positions equal to or exceeding the limits established by law; and (iv) that they will communicate promptly to the Company and, on its behalf, the Board of Directors and the other members of the Board of Statutory Auditors, any changes to the declaration and any supervening grounds for revocation.

The Board of Statutory Auditors ascertained the independence of its members on May 31, 2017, the first useful occasion following its appointment by the Shareholders' Meeting on the same date, specifying the evaluation criteria applied in practice, and transmitted the results of such assessment to the Board of Directors who met on May 31, 2017. The results of such assessment have been divulged to the market through a notice.

Also for the Financial Year 2017, the Board of Statutory Auditors ascertained with positive results the independence of its members on the basis of the criteria set forth by articles 3 and 8 of the Corporate Governance Code. The Board of Directors communicated such assessment on April 18, 2018.

During the Financial Year 2017, the Board of Statutory Auditors met 13 times. For the Financial Year 2018, the Board of Statutory Auditors has scheduled at least 6 meetings. The average length of each meeting was approximately 3 hours.

Reference should be made to **Table 3** in the appendix for the percentage of effective participation to the meetings of each member the Board of Statutory Auditors.

As regards the potential initiatives promoted by the Chairman of the Board of Directors aimed at providing statutory auditors with adequate knowledge of the area of activity in which the Issuer operates, reference should be made to the matters described in paragraph 4.2.

As discussed in paragraph 10, in the performance of its duties the Board of Statutory Auditors has coordinated and regularly liaises with the Internal Auditing function, with the Control, Risks and Sustainability Committee, with the Director in charge of the Internal Control and Risk Management System, with the Manager assigned to drawing up the corporate accounting documents and with the Auditing Firm.

The Company has not found it necessary to formalize and adopt procedures for the obligation of the statutory auditor, who on his or her own behalf or that of third parties has an interest in a specific corporate transaction, to inform promptly and thoroughly the other auditors and the Chairman of the Board of Directors about the nature, terms, origin and scope of the interest, deeming as effective and adequate, on one side, the obligations and the protections applicable to the statutory auditors in accordance with the applicable regulatory and legislative discipline of the Corporate Governance Code; on the other side, having the widest cooperation and dialogue in this regard with the statutory auditor who acts transparently and the full information of the Board.

On May 31, 2017, the Shareholders' Meeting set the annual remuneration of the auditors in line with the requested tasks, with the relevance of their roles and with the size and field characteristics of the company.

14. RELATIONS WITH SHAREHOLDERS

The Company believes it is essential and of a strategic interest and duty to establish and maintain a constant and open dialogue with shareholders, investors, including institutional investors, and more generally with all the stakeholders getting into contact with OVS and the Group.

To this end, the Board of Directors of the Company, adhering to the recommendations set out in article 11 of the Corporate Governance Code, appointed the official responsible for relations with the shareholders and investors (Investor Relator) in the person of Nicola Perin.

A special section of the Company's website www.ovscorporate.it is dedicated to providing financial and corporate information for investors and called "Investor" within which an e-mail address is provided for collecting and responding to requests for information made by shareholders and investors.

The contact details of the Investor Relators are: investor.relations@ovs.it, Via Terraglio n. 17, 30174 Venezia-Mestre.

15. SHAREHOLDERS' MEETINGS (pursuant to article 123-*bis*, paragraph 2c) of the TUF)

The Shareholders' Meeting of OVS shall decide on all matters within its jurisdiction by law.

The resolutions, both at ordinary or extraordinary Shareholders' Meetings shall be taken by the majority required by law.

Under article 8 of the By-laws, ordinary and extraordinary Shareholders' Meetings are normally held in the municipality where the Company's registered office is located, unless otherwise resolved by the Board of Directors, and provided that it is in Italy or in a country in which the Company operates, directly or through its affiliates or subsidiaries.

The Ordinary General Shareholders' Meeting must be convened at least once a year to approve the Financial Statements, within one hundred twenty days after the close of the financial year or within one hundred and eighty days, since the Company is required to prepare consolidated annual accounts or, in any case, when it is required by the extraordinary demands on the structure and purpose of the Company.

The relevant notice of summon is made within the time prescribed by the applicable laws and regulations in force from time to time by notice published on the Company's website, as well as the manner prescribed by applicable laws and regulations in force from time to time with a notice period of not less than the minimum required by law prior to the date fixed for the Shareholders' Meeting.

Ordinary and extraordinary Shareholders' Meetings are held in a single call.

Those who may participate and intervene in the Shareholders' Meeting are those who have the right to vote and their representatives in accordance with legal rules and regulations from time to time in force.

Under article 10 of the By-laws, those who are entitled to vote may be represented at the Shareholders' Meeting, in accordance with law, by proxy issued in the manner provided by law. The proxy may be notified to the Company by mail or by e-mail transmission in the manner specified in the convening notice.

The Company does not exercise the option provided for by law to appoint a representative to whom shareholders may assign a proxy with voting instructions on all or some of the proposals on the agenda of the Shareholders' Meeting.

The Shareholders' Meeting is chaired by the Chairman of the Board of Directors or, in his absence or impediment, by the Deputy Chairman or the Managing Director, if present; in their absence the Shareholders' Meeting elects the Chairman.

Shareholders' Meetings are governed by specific Shareholders' Meeting Regulations which were approved by the resolution of July 23, 2014 and are effective from the First Trading Day.

The Shareholders' Meeting Regulations have been adopted in order to regulate the orderly and efficient conduct of Shareholders' Meetings and to benefit the rights of shareholders in compliance with the legal regulations enacted in the European Community Directive 2007/36/EC (known as the Shareholders' Rights Directive) and the recommendations found in article 9 of the Corporate Governance Code.

For regulating and facilitating any action undertaken by right holders, article 6 of the Shareholders' Meeting Regulations provides that those who have the right to vote may ask to speak on the topics under discussion only once, making comments and asking for information. In exercising their right to vote right-holders may also make proposals.

In order to ensure orderly conduct of the Shareholders' Meeting, the Chairman has the right to determine, at the beginning or during the discussion of individual topics, a term for the submission of requests for intervention. The Chairman shall lay down the methods of inquiry and conduct of operations and the order of execution of the same.

The Chairman, taking note of the object and relevance of individual topics under discussion as well as the number of requests to speak and any questions made by members before the Shareholders' Meeting which have not already been answered by the Company, predetermines the duration of interventions and replies – normally not more than ten minutes for interventions and five minutes for replies – in order to ensure that the Shareholders' Meeting can conclude its work in a single session.

The Shareholders' Meeting Regulations are available on the Company's website www.ovscorporate.it in the section *Governance / Regolamenti e Procedure* to which reference should be made for any further details.

During the Financial Year 2017, one Shareholders' Meeting was held. The majority of the Board of Directors joined the meeting, reported on the activity performed and planned and undertook to provide the shareholders with adequate information about the necessary elements for them to adopt in an informed manner the resolutions that are the competence of the shareholders' meeting, thus making available all illustrative documents relating to the items on the agenda of the day in a prompt manner and in accordance with the terms provided for by the laws in force.

The Board of Directors held on April 18, 2018, resolved to call the Ordinary Shareholders' Meeting, in a single call, to resolve on the items on the agenda pursuant to the notice of call published on the internet website of the company www.ovscorporate.it, Section Governance/Shareholders' Meeting.

During the Financial Year 2017, no further significant changes in the market capitalization of the Company occurred.

With reference to the composition of the corporate structure of OVS, it is noted that during the Financial Year 2017 Gruppo Coin S.p.A. reduced its shareholdings passing from 42.117% to 17.83%.

16. ADDITIONAL CORPORATE GOVERNANCE PRACTICES (pursuant to article 123-bis, paragraph 2a) of the TUF)

No additional corporate governance practices are applicable.

17. CHANGES SINCE THE END OF THE FINANCIAL YEAR

There have been no changes in the Company's Corporate Governance structure since the end of the Financial Year 2017 until the approval of the Report by the Board of Directors on April 18, 2018.

* * *

Venezia - Mestre, 18 April, 2018

OVS S.p.A.
On behalf of the Board of Directors
The Chairman
Nicholas Stathopoulos

TABLES

TABLE 1: INFORMATION ON CORPORATE STRUCTURES

Capital structure as at 31 January 2018				
	No. of shares	% of share capital	Listed (indicate markets)/unlisted	Rights and obligations
Ordinary shares	227,000,000	100%	MTA	-
Shares with limited voting rights	-	-	-	-
Shares without voting rights	-	-	-	-

Other financial instruments				
	Listed (indicate markets)/unlisted	No. of instruments in circulation	Category of shares for the conversion \ exercise	No. of shares for the conversion \ exercise
Convertible bonds	-	-	-	-
Warrants	-	-	-	-

Significant shareholdings as at 31 January 2018			
Declarant	Direct shareholder	% of ordinary share capital	% of voting share capital
CIE MANAGEMENT II LIMITED <i>(as general partner of BC European Capital that controls indirectly Gruppo Coin SpA)</i>	GRUPPO COIN SPA	17.83%	17.83%
NORGES BANK	NORGER BANK	3.087%	3.087%

Table 2: Structure of the current Board of Directors and Committees as at January 31, 2018

Board of Directors													Control and Risks Committee		Nomination and Remuneration Committee		Committee for related-party transactions	
Office	Members	Birth year	Date of first appointment *	In charge as of	In charge until	List **	Executive	Non-executive	Indep. (by Law)	Indep. (pursuant to TUF)	No. of other charges ***	(*)	(*)	(**)	(*)	(**)	(*)	(**)
Chairman ◊	Nicholas Stathopoulos	1969	23.07.14	31.05.2017	SH mtg appr. FS 31.01.2020	M		X			See CV	10%				M		
Chef Executive Officer and General Director	Stefano Beraldo	1957	14.05.14	31.05.2017	SH mtg appr. FS 31.01.2020	M	X				See CV	10%						
Director	Stefano Ferraresi	1972	23.07.14	31.05.2017	SH mtg appr. FS 31.01.2020	M		X			See CV	10%						
Director	Heinz Jürgen Krogner Kornalik	1941	23.07.14	31.05.2017	SH mtg appr. FS 31.01.2020	M		X	X		See CV	75%		M		M		M
Director	Gabriele Del Torchio	1951	27.10.14	31.05.2017	SH mtg appr. FS 31.01.2020	M		X	X	X	See CV	10%		M		P	P	
Director	Marvin Teubner	1978	14.05.16	31.05.2017	SH mtg appr. FS 31.01.2020	M		X				63%						
Director	Stefania Criveller	1966	31.05.2017	31.05.2017	SH mtg appr. FS 31.01.2020	M		X			See CV	100%						
Director	Chiara Mio	1964	31.05.2017	31.05.2017	SH mtg appr. FS 31.01.2020	M		X	X	X	See CV	100%		P				M
Director	Vincenzo Cariello	1965	31.05.2017	31.05.2017	SH mtg appr. FS. 31.01.2020	m		X	X	X	See CV	88%		M		M		M
DIRECTORS CEASED AFTER THE FIRST DAY OF APPOINTMENT: 0																		
No. of meetings held in 2017: 10 (2 of which of the outgoing BoD)						Control, Risk and Sustainability Committee: 6 (1 of which of the outgoing Committee)						Nomination and Remuneration Committee: 6 (1 of which of the outgoing Committee)						Related Parties Transactions Committee: 4
Indicate the quorum required for the presentation of the lists by the minorities for the election of one or more members (ex art. 147-ter TUF): 1% of the share capital																		

NOTES

The symbols indicated below should be entered in the column "Office":

• This symbol indicates the Director in charge of the internal control and risk management system.

◊ This symbol indicates the main responsible officer for the management of the issuer (Chief Executive Officer or CEO).

◊ This symbol indicates the Lead Independent Director (LID).

* The date of first appointment of each director shall mean the date when the director has been appointed for the first time (in absolute) in the Board of Directors of the issuer.

** In this column it is reported the list from which each director has been elected ("M": Majority list; "m": minority list; "BoD": list presented by the BoD).

*** In this column it is reported the number of offices as Director or Statutory Auditor of the concerned person in other listed companies in regulated markets, even non-Italian, financial corporations, banks, insurance companies or companies having significant dimensions. In the Report on the corporate governance the offices are reported in full.

(*). In this column it is reported the attendance of the Directors to the meetings of the BoD and of the committees respectively (i.e. no. of presences / no. of meetings held during the actual term of office of the concerned person; ex. 6/8; 8/8 etc.).

(**). In this column it is reported the role of the Director in the committee: "C": chairman; "M": member.

Table 3: Structure of the Board of Statutory Auditors as at January 31, 2018

Board of Statutory Auditors									
Office	Members	Birth year	Date of first appointment *	In charge as of	In charge until	List **	Indep. Code	Attendance to the meetings of the Statutory Auditors ***	No. of other officers ****
Chairman	Paola Camagni	1970	31.05.2017	31.05.2017	SH mtg appr. FS 31.01.2020	m	X	80%	See annex
Standing Auditor	Roberto Cortellazzo Wiel	1958	23.07.2014	31.05.2017	SH mtg appr. FS 31.01.2020	M	X	100%	See annex
Standing Auditor	Eleonora Guerriero	1978	31.05.2017	31.05.2017	SH mtg appr. FS 31.01.2020	M	X	100%	See annex
Deputy Auditor	Antonella Missaglia	1962	31.05.2017	31.05.2017	SH mtg appr. FS 31.01.2020	M	X	-	See annex
Deputy Auditor	Stefano Poggi Longostrevi	1965	31.05.2017	31.05.2017	SH mtg appr. FS 31.01.2020	m	X	-	See annex
AUDITORS CEASED AFTER THE FIRST DAY OF NEGOTIATIONS: 0									
No. of meetings held: [13]									
Indicate the quorum requested for the presentation of the lists by the minorities for the election of one or more members (ex art. 148 TUF): 1% of the share capital									

NOTES

* The date of first appointment of each director shall mean the date when the director has been appointed for the first time (in absolute) in the Board of Statutory Auditors of the issuer.

** In this column it is reported the list from which each auditor has been elected ("M": majority list; "m": minority list).

*** In this column is reported the percentage of attendance of the statutory auditors to the meetings of the Board of Statutory Auditors (i.e. no. of presences / no. of meetings held during the actual term of office of the concerned person; ex. 6/8; 8/8 etc.).

**** In this column it is reported the number of offices as Director or Statutory Auditor of the concerned person pursuant to article 148-bis of the TUF and the relevant implementation provisions included in the *Regolamento Emittenti* (Issuers' Regulations) of Consob. The complete list of the offices is published by Consob on its website pursuant to article 144-quinquiesdecies of the Issuers' Regulations

ANNEX

**CURRICULA OF THE MEMBERS OF THE BOARD OF DIRECTORS AND OF THE
BOARD OF STATUTORY AUDITORS**



Nicholas Stathopoulos

Chairman of the Board of Directors

COMMITTEES: Nomination and Remuneration (Member)

Education

Mr. Stathopoulos graduated with a degree in business administration from Athens University of Economics & Business (AUEB) and a master's degree in Business Administration (MBA) from Harvard Business School.

Professional experiences

He is Managing Partner of BC Partners which he joined in 2005 and a member of its Executive Committee and Investment Committee.

He has accumulated over 20 years of experience in the private equity industry, and has been an active investor in the retail, consumer, media and telecommunications sectors.

Before joining BC Partners, he was a Partner at Apax Partners in London, where he spent seven years leading large buyout transactions in many European countries.

Before joining Apax he worked for three years as a management consultant with the Boston Consulting Group in London.

He is also Chairman of the BC Partners Foundation, member of the Harvard Business School Global Advisory Board, the Board of Trustees of Impetus-PEF, the Board of Trustees of the American School in London and a member of the council of Serpentine Galleries.

Mr. Stathopoulos is a Fellow of the Royal Society of Arts.

Professional Positions

He is currently (non executive) Chairman of the Board of Directors of the Groppo Coin S.p.A., Cigierre, Dental Pro, Acuris Group and Pharmathen, and he is (non executive) Vice- Chairman of the Board of Directors of Migros Turk.



Stefano Beraldo

Chief Executive Officer

Education

Mr. Beraldo graduated with a degree in economics and business from Ca' Foscari University of Venice, and is a member of the Alumni Association of Stanford University

Professional experiences

He had been the CEO of the Coin Group since 2005. He gained significant experience in auditing and corporate consulting at the auditing firm Arthur Andersen. From 1998 he has worked at the holding company of the Benetton group, working in finance, acquisitions and the control of subsidiaries and affiliates. In 1995 he was closely involved in the acquisition of Società Meridionale di Elettricità S.p.A.—SME (Gruppo IRI) by the Italian Ministry of Industry, subsequently taking on the role of general manager of GS Euromercato S.p.A. and overseeing the process of increasing its financial efficiency. In the late 1990s Mr. Beraldo took charge of the sale of GS Euromercato S.p.A. to the Carrefour Group. From June 2000, he held the office of CEO and general manager of the De Longhi group, until he joined the Coin Group in July 2005. In Gruppo Coin covered the role of Chief Executive Officer and Managing Director, managing the process of restructuring and re-lunch culminated in the listing of OVS S.p.A., occurred in March 2015 in the Milan Stock Exchange Market managed and organized by Borsa Italiana S.p.A., in which Mr Beraldo has been the Chief Executive Officer and Managing Director.

Professional Positions

He is (non executive) Vice-Chairman of Gruppo Coin S.p.A. and he is a member of boards of directors of a subsidiary.



Stefania Criveller

Director

Education

Degree in Economics and Business Administration - Università degli Studi di Trieste.

She gave several lectures at Udine's University and Bocconi University.
Licence to practice as a Certified Public Accountant and Statutory Auditor.

Professional experiences

Since 2008

CFO and Director of CIGIERRE- Compagnia Generale Ristorazione S.p.A.

Cigierre is the leading casual dining company in Italy.

She has been working in Cigierre since its foundation in 1995, as it was initially part of the Bardelli Group. She followed its growth and development and supervised three different merger leveraged buyouts in 2007, 2012 and 2016. As CFO she was in charge of several M&A operations (acquisitions, underwritings, splits and mergers) made by Cigierre, both in Italy and abroad.

In Cigierre, Legal Affairs, IT, Business Development, Technical Area and Franchising report to her.

1995/2008

CFO – Finanziaria Bardelli S.p.A.

Bardelli Group is specialized in the retail area and owns one of the biggest shopping centres in northern Italy, it also operates in the tertiary sector, in diverse activities.

Being in charge of finance, administration and of the management control system, she took part in the project that has made of Bardelli Group one of the major players in the retail sector and allowed the company to diversify its business investing in other strategic sectors.

1990/1995

Senior auditor KPMG

Accounting and audit reports of Industrial and Financial companies

Professional Positions

She is currently also member of the board of directors of the following companies belonging to CIGIERRE group

- Arthur S.r.l. non executive
- Ginevra S.r.l. non executive
- Ranger S.r.l. non executive
- Starfood S.r.l. non executive
- Eat Meat S.r.l. non executive
- MG Ristorazione S.r.l. non executive
- Cigierre - Compagnia Generale Ristorazione S.p.a. director with delegated powers



Stefano Ferraresi

Director

Education

Mr. Ferraresi graduated with a degree in economics and business administration from Luigi Bocconi University.

Professional experiences

He is a Senior Partner at BC Partners Limited, which he joined in 2002, and has accumulated over 12 years of experience in the private equity industry, taking part in numerous investment transactions, including Galbani, Migros Turk, Spotless and the Coin Group. From 2000 to 2002 he was part of the European Leveraged Finance Team at Merrill Lynch's London office, where he worked on the financing of various leveraged buyout transactions in Europe. He began his career at Barclays Capital's London office, in the high yield bonds sector.

Professional Positions

He is currently also a (non executive) member of the board of directors of Migros Turk, Cigierre S.p.A and DP Group S.p.A.



Marvin Teubner

Director

Education

Mr. Teubner graduated with a degree in Economics and Operations Research from Columbia University in the City of New York.

Professional experiences

Mr. Teubner has more than 15 years of private equity investing and investment banking experience.

Prior to joining the Private Capital division of the Ontario Teachers' Pension Plan Board in 2011, Mr. Teubner worked at Rhône Capital, a mid-market private equity fund, and Warburg Pincus, a leading global private equity firm.

Previously, he held positions at Merrill Lynch and Deutsche Bank, where he covered the financial institutions sector.

He has been involved in several international transactions, including the investment in CeramTec, Synlab, Lowell, Bridon and Burton's Biscuits.

Professional Positions

He is currently a (non executive) member of the board of directors of Synlab, Lowell and Burton's Biscuits.



Gabriele Del Torchio

Director

COMMITTEES: Nomination and Remuneration (Chairman), Control and Risk and Sustainability (Member) and Transaction with Related Parties Committee (Chairman)

Education

Graduated with a degree in Economics and Banking from Cattolica del Sacro Cuore University in Milan.

Professional experiences

He began his career at Banca Commerciale Italiana. In 1975 Mr. Del Torchio joined New Holland S.p.A., one of the leading manufacturers of farming equipment in the world, eventually becoming the company's President and CEO. In 1990, Mr. Del Torchio began serving as CEO of Fai Komatsu and later served as the company's President. In 1998 he became the CEO of Cifa. In 2000 Mr. Del Torchio began serving as the CEO of APS, a municipal entity of the City of Padua overseeing telecommunications, urban road and rail transportation, electric energy and gas. From 2003 to 2005 he led the Carraro Group, an automobile systems company, and was instrumental in leading their growth in the Asian market. From 2005 to 2007 Mr. Del Torchio served as the CEO of Gruppo Ferretti, a leading builder of luxury boats. In 2007 Mr. Del Torchio began serving as CEO of Ducati and in 2009 became its President. During his tenure at Ducati he has been instrumental in the relaunch of the Ducati brand and, in 2012, record sales for the company. From April 2013 to December 2014 Mr. Del Torchio served as the CEO of Alitalia—Compagnia Aerea Italiana S.p.A.

Professional Positions

Since February 2018 he has been –chief Executive Officer of Valtur Group S.p.A.

He is, also, non executive member of Board of directors of Sergio Rossi S.r.l., B&B Italia S.p.A. and Tecnica Group S.p.A.

Since 2016 he has been Director of University of Padova.

From July 2015 to June 2016 he was Executive Chairman of Snai S.p.A..

Heinz Jürgen Krogner Kornalik

Director

COMMITTEES: Nomination and Remuneration (Member), Transactions with Related Parties (Member)

Education

Mr. Kornalik graduated with a degree in business management and industrial engineering

Professional experiences

He worked at Esprit from 1995 to 2011, holding the positions of Executive Chairman of Esprit Holdings Ltd, CEO at ECOR-SF Inc., a subsidiary of the Esprit Group, and was CEO of the Esprit Group from 2002 to 2009. He previously worked at Kurt Salmon Associates as a consultant in a number of areas, including manufacturing, organizing, marketing, strategy and brand positioning. He has also held executive roles in numerous companies in the textile industry.

Chiara Mio

Director

COMMITTEES: Control and Risk and Sustainability (Chairman) and Transaction with Related Parties Committee (Member)

Professional experiences

Full Professor at the Ca' Foscari University Department of Management and tenure of the following courses: Corporate Reporting (Master's Degree in English), Management Control (Master's Degree in English) and Strategic Planning and Sustainability Management (Master's Degree).

Director of the Mummiss Master, first level university master in strategic innovation, and of the Master in Sustainability and Carbon Footprint, first level university master; Director of the Ciset Master, Economics and Tourism Management 2016-2017.

President of the Teaching Board of the Master's Degree in Economics and Business Management. Rector's delegate to Environmental Sustainability and Social Responsibility from 2009 to 2014.

She is specialized in the following areas:

- Management control system, both in the business environment and in public and non-profit companies;
- Performance measures;
- Performance measures in the Triple bottom line system;
- Corporate social responsibility - Sustainability and corporate governance systems;
- Corporate reporting and social and environmental reporting, sustainability;
- Integrated Report;
- Asseveration and control of sustainability communication.

She collaborates with various magazines such as *Rivista Italiana Ragioneria e Economia Aziendale*, *Cultura e contabilità aziendale* and *Accounting, and Social and Environmental Accountability Journal*.

Since 2010 she has been a member of the Editorial Board and reviewer of the Corporate social responsibility and environmental management magazine. She is a member of Aidea - Italian Academy of Business Economics, of SISR (Italian Society of Accounting History) and SIDREA (Italian Accounting and Business Economics Society).

Since 2012 she has been a member of the WCOA Scientific Committee, the international 2014 Ifac congress and since 2011 she has been Chairman of the working group on the Social and Environmental Report of Cilea (Cilea (Association of Accounting Professionals of Latin American and European countries - Cilea Comité de Integración Latino Europa America).

Since 2011 she has been a member of Expert Group established by the European Commission, Directorate General Internal Market and Services, Accounting and Financial Reporting and is also a member of the Integrated Reporting Academic Network.

She is now Chairwoman ESG Task Force in Accountancy Europe, Brussels.

She is registered in the Register of Chartered Accountants No. 165 from 12/12/1991 - Order of Pordenone and since 2000 has been registered in N. 112308 Register of Auditors, Gazzetta Ufficiale No. 14 S4 of 18/02/2000.

President of the "Environmental Consultancy" Commission of the National Council of Chartered Accountants and Accounting Experts.

Since 2011 she has been a member of the Board of Directors of the GBS, a study group on the social balance sheet, today she chairs the scientific committee; she has been a member of the Global Compact Italy Steering Committee as well as being a member of the integrated Reporting Academic Network.

Since March 2014 she has been a member of the Board of Directors of Crédit Agricole FriulAdria SpA (Crédit Agricole Italia Banking Group), of which she was appointed Chairman in October 2014.

From 2006 to 2012 she was council member of the municipality of Pordenone (delegation: Budget, Planning, Innovation and Development, then to the Knowledge for Innovation). She chairs the Atlantia Sustainability Committee.

Professional Positions

Crédit Agricole FriulAdria S.p.A.

Chairman (non executive)

Danieli S.p.A. (listed)
Director (non executive)

Eurotech S.p.A. (listed)
Director (non executive)

MczGroup
Director (non executive)

Nice S.p.A. (listed)
Director (executive)

Bluenergy Group S.p.A.
Director (executive)

Anteo S.r.l.
Chief Executive Officer

Vincenzo Cariello

Director

COMMITTEES: Nomination and Remuneration (Member), Control and Risk and Sustainability (Member) and Transaction with Related Parties Committee (Member)

Education

December 1898

Degree in law summa cum laude at Catholic University of Milan. Thesis in Civil Procedure Law.

July 1984

Diploma at Gymnasium
Tito Livio Gymnasium of Milan.

Academic experiences

Since 2004

Full tenure Professor of Commercial law

Since 2001

Professor of first degree

Academic experiences at present

Since October 1, 2012

Full tenure Professor of Commercial law
Catholic University of Milan – Faculty of Law

Professional experiences

Since 1994

Attorney at law

- Kind of activities
- Pro veritate opinions
- Court and out-of-court advice and assistance
- Member of arbitration panels

Areas of competences and activities

- Corporate law and financial market law
 - In particular: shareholders' right, ownership and control structure, corporate bodies, financing to the companies; listing of shares, bonds and convertible bonds; takeover bids; transactions with related parties; corporate disclosure; accounting disclosure; equity transactions; extraordinary transactions; discipline of intermediaries; market abuse.
- Bank law:
 - In particular ownership and control structures; corporate bodies; internal organization; compliance; prudential rules; transactions with related parties

Since January 2018

Of counsel at Law firm
Mazzoni Regoli Cariello Pagni Law firm, Milan

Previous Academic experiences

November 1, 2007 - September 2012

Full tenure Professor of Commercial Law
Catholic University of Piacenza - Faculty of Law.
Professor of:

- Commercial Law I (2007-2009).
- Commercial Law I and Private Comparative Law (2009-2010).
- Commercial Law II (Law of the Listed Companies) (2010-2012).

October 1, 2004-October 31, 2007

Full tenure Professor of Commercial Law
University of Ferrara - Faculty of Law.
Professor of:

- Commercial Law II (Law of the Listed Companies).
- European and International Commercial Law.

November 1, 2001 - September 30, 2004

Professor of Commercial Law
University of Ferrara - Faculty of Law.
Professor of:

- Commercial Law II (Law of the Listed Companies).
- European and International Commercial Law.

November 1, 2000 - October 31, 2001

Associate Professor of Commercial Law
University of Ferrara - Faculty of Law.
Professor of:

- Bankruptcy Law
- European and International Commercial Law.

January 1, 1999 - October 2000

Research Fellow in Commercial Law
Catholic University of Milan - Faculty of Law.
Scientific research.

Previous Professional Positions

January 1 2016 – December 31, 2017
Partner of Mazzoni Regoli Cariello Pagni

January 1, 2013 - December 31, 2015
Of Counsel at Chiomenti Studio Legale, Milan

January 1, 2007 - December 31, 2012
Partner of Chiomenti Studio Legale, Milan.

January 1, 2005 - December 31, 2006
Attorney at law
Chiomenti Studio Legale, Milan.

March 2002 - October 2004
Of counsel at Pedersoli e Lombardi, Milan.

October 2001 - February 2002
Of counsel at Tavormina Balbis e Associati, Milan

Academic Assignments

2007 – now
Member of the Academic Committee of the PhD in International Business Law
Catholic University of Milan.

2013 – 2014
Member of Assonime Working Group
Assonime Working Groups: "the Future of European Company Law".

2010
Member of Consob Academic Group
A small group of academics consulted by Consob in view of the adoption of the Regulation on Related Parties.

May 2007 - February 2014
Member of the National Notary Board Commission
Commission on Enterprises Studies

Professional Positions

Since May 20, 2015
Standing Statutory Auditor of Telecom Italia S.p.A.

Since May 31, 2017

Director of OVS S.p.A. and member of the Control and Risk Committee, Nomination and Remuneration Committee and Transaction with Related Parties Committee

May 2012 - May 2014

Consultant for the Ministry of Economy and Finance (Treasury Department)

Further information

From January 2001 to January 2012, May 2013, September 2014, June 2016, February 2017

Gastprofessor

Institut tor auslandisches und intemationales Privat- und Wirtschaftsrecht, Universitat Heidelberg (DE).

Activity of study and research

December 2004

Academic Visitar

Centre tor Corporate and Commerciai Law, Faculty of Law, Cambridge University (UK).

Aprii 1999

Enseignant invité

Université Paris X-Nanterre (F).

August 1998

Gaststudent

Max-Planck Institut tor auslandisches und intemationales Privatrecht, Hamburg (DE).

November 1994 - May 1995- September 1996, December 1997, December 1998, January 2000

Gaststudent

Institut tor auslandisches und internationales Privat- und Wirtschaftsrecht, Universitat Heidelberg (D)

Activity of study and research

September 1996

PhD in Commerciai Law

Commerciai University L. Bocconi, Milan.

July -August 1992

Visiting Scho/ar

Institute for Advanced Legai Studies University of London (UK).

Publication

Monographs

Un formidabile strumento di dominio economico»: contrapposizioni teoriche, 'battaglie' finan-ziarie e tensioni ideologiche sul voto potenziato tra le due Guerre Mondiali, Milano, Giuffrè, 2015 (pp. 136).

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Società, banche e crisi d'impresa. Liber amicorum Pietro Abbadessa, diretto da M. Campo- basso, V. Cariello, V. Di Cataldo, F. Guerrera, A. Sciarrone Alibrandi, 3 voli., Torino, Utet, 2014.

Le operazioni con parti correlate. Atti del Convegno Università Cattolica del Sacro Cuore, Piacenza, 19 novembre 2010, a cura di Vincenzo Cariello, Milano, Giuffrè, 2011.

Articles, collective papers, Comments to court decisions

Tra non controllo e controllo: sul mimetismo e su/l'occultamento del controllo c.d. di fatto, di prossima pubblicazione in Riv. dir. soc., n. 1/2017.

Commento all'art. 2497-bis, in Le Società per Azioni. Codice civile e norme complementari, diretto da Abbadessa e Portale, a cura di

M.Campobasso - V. Cariello - U. Tombari, Tomo II, p. 3033 ss.

«Un formidabile strumento di dominio economico»: contrapposizioni teoriche, 'battaglie' finanziarie e tensioni ideologiche sul voto potenziato tra le due Guerre Mondiali, in Quaderni fiorentini 44 (2015).

Gruppi e minoranze non di controllo: dalla tutela risarcitoria a quella "organizzativa" e "pro- cedimentale" (all'alba delle azioni a voto potenziato), in Riv. dir. soc., 2015, p. 278 ss.

Azioni a voto potenziato, "voti plurimi senza azioni" e tutela dei soci estranei al controllo, in Riv. soc., 2015, pp. 164 ss.

Osservazioni preliminari sull'argomentazione e su/l'interpretazione "orientate alle conse- guenze" e il "vincolo del diritto positivo per il giurista": in *Impresa e mercato. Scritti dedicati a Mario Libertini*, a cura di V. Di Cataldo, V. Meli e R. Pennisi, Iii, Crisi d'impresa. Scritti vari, Milano, Giuffrè, 2015, pp. 1713 ss., e in Riv. dir. comm., 2015, I, pp. 309 ss.

I poteri del consiglio di sorveglianza e dei suoi componenti: profili teorici e applicativi, in *Società, banche e crisi d'impresa. Liber amicorum Pietro Abbadessa*, diretto da M. Campobasso, V. Cariello, V. Di Cataldo, F. Guerrera, A. Sciarrone Alibrandi, voi. 2, Torino, Utet, 2014, pp. 961 ss.

Il sistema dualistico: il consiglio di gestione e il consiglio di sorveglianza (le funzioni), in *La governance nelle società di capitali. A dieci anni dalla riforma*, direzione di M. Vietti, Milano, Egea, 2013, pp. 375 ss.

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Sensibilità comuni, uso della comparazione e convergenze interpretative: per una Methoden- lehre unitaria nella riflessione europea sul diritto dei gruppi di società, in Riv. dir. soc., 2012, pp. 255 ss.

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Commento all'art. 151-bis, in // *Testo Unico della Finanza*, a cura di Fratini e Gasparri, Torino, Utet, 2012, II, pp. 2031 ss.

Per un rilancio del sistema dualistico, in Riv. dir. soc., 2011, pp. 714 ss.

Le s.r.l. di gruppo, in *S.r.l. Commentario. Dedicato a Giuseppe B. Portale*, Milano, Giuffrè, 2011, pp. 1054 ss.

Operazioni con parti correlate e sistema dualistico, in *Le operazioni con parti correlate. Atti del Convegno Università Cattolica del Sacro Cuore, Piacenza, 19 novembre 2010*, a cura di Vincenzo Cariello, Milano, Giuffrè, 2011, pp. 61 ss., e in Riv. dir. comm., 2011, I, pp. 181 ss.

Sistema dualistico e competenza assembleare all'approvazione del bilancio di esercizio (art. 2409-terdecies, comma 2, e.e.), in *La struttura finanziaria e i bilanci delle società di capitali. Studi in onore di Giovanni E. Colombo*, Torino, Giappichelli, 2011, pp. 407 ss.

Sulle c.d. responsabilità del consiglio di sorveglianza, in Riv. dir. soc., 2011, I, pp. 55 ss.

La Comunicazione CONSOB n. 46789 del 20 maggio 2010 sulla qualifica come amministratore indipendente di società controllante quotata di amministratore indipendente di società controllata, in Riv. dir. soc., 2010, I, pp. 442 ss.

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La pubblicità del gruppo (art. 2497-bis e.e.): la trasparenza dell'attività di direzione e coordi- namento tra staticità e dinamismo, in Riv. dir. soc., 2009, I, pp. 466 ss.

Numero minimo al consiglio di sorveglianza di società quotate in possesso di requisiti di professionalità, in Riv. soc. 2009, pp. 767 ss.

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ss.

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Commenti agli artt. 2497-2497 septies, in Società di capitali. Commentario, a cura di Niccolini e Stagno d'Alcontres, voi. Iii, Napoli, Jovene, 2004, pp. 1853 ss.

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Questioni di diritto processuale e sostanza/e in tema di contratti autonomi di garanzia, in Banca, borsa tit. cred., 1999, II, pp. 273 ss.

Aktionarskonsortium e imputazione del potere di dominio sulla società, in Riv. soc., 1998, pp. 759 ss.

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Further information

Editorial Activity

Co-founder and co-director of the Rivista di Diritto Societario.

Member of the national editorial board of the legal review Banca, Borsa e Titoli di Credito.

Member of the Management Committee of the Rivista del Diritto Commerciale.

Member of the Review Committee of the Rivista di Diritto Civile.

Member of the Review Committee of Rivista del Notariato.

Member of the Scientific Committee of the review Osservatorio di diritto civile e commerciale.

Member of the editorial board of the European Journal of Economics and Management.

Member of the editorial advisory board of the Amity Journal of Corporate Governance-

Awards

Winner of the scholarship "Amici della Bocconi", for carrying out studies and research at the "A.Sraffa" Institute of Comparative Law at the L. Bocconi University of Milan (1992-1993).

Winner of a three-year postgraduate degree in the Social Sciences Class at the S. Anna Institute of Pisa (position waived following to the admission to the PhD in Commercial Law at L. Bocconi University 1991-1992).

Winner of a scholarship of the Fondazione Fratelli Gonfalonieri - Faculty of Law - Università Statale of Milan (1990)

Membership in Groups/Associations

Member of the Association of Italo-German Jurists.

Academic Member of the European Corporate Governance Institute.

Member of Heidelberg Alumni International.

Member of the European Banking and Financial Law Association (Associazione europea per il diritto bancario e finanziario (AEDBF)).

Other

Speaker at national and international conferences.

Director of masters of professional specialization.



Paola Camagni

Chairman of the Board of Statutory Auditors

Education

1989

Scientific high school diploma earned at liceo scicnlifico Casiraghi in Milan

1994

Bachelor's degree with honours in Economics and Business (dissertation on International Tax Law) Bocconi University in Milan

1994-1995

Master in International Tax - Bocconi University Professional experiences

Professional experiences

Founder and Managing Partner of "CAMAGNI e ASSOCIATI" tax firm, set up in 2013 in Milan, Pia:a a degli Affari 3-
www.catax.it

In December 2013 she established the firm "Camagni e Associati". The firm provides fiscal advice to international groups on both domestic and international tax issues.

With more 20 years of experience (Dottore Commercialista) she provides tax advice, issuing opinions on investment, restructuring and international tax issues to large groups as well as foreign real estate funds and companies listed on stock exchanges in Milan, New York, Amsterdam, London and Sydney.

She has acquired specific experience in tax issues of the Real estate sector.

She assists clients during tax audits, in the pre-litigation and tax litigation phases and support layers as technical consultant, in case of tax assessment hearing criminal implications.

She holds the requirements pursuant to article 1 paragraphs 1 and 2 of DM 162/2000 since she has carried on auditing activities.

2000- November 2013

Partner of Studio Tributario e Societario Deloitte Milan network

As a partner of Deloitte Studio Tributario e Societario, she provided assistance and tax advice to leading Italian and multinational companies. Her activity was particularly focused on tax advices to RE C1roup, analysis of domestic and international tax issues (mainly opinions), tax structuring and assistance for M&A. She assisted numerous clients during tax audits and tax litigation phases.

1996-2000

Tax Consultant at Studio Tributario Deiore - Milan

Reporting directly to Mr. Deiurc, she primarily issued opinions and assisted clients in extraordinary operations. She also deal with tax disputes acquiring a significant experience in both tax drafting of the documents and during the discussion stage in front of the Tax Court

1994-1996

Tax Consultant at Studio Legale e Tributario - ERNST&YOUNG -

Member of the international tax group, she assisted multinational groups during acquisition of reorganisation of companies in Italy.

Conferences contracts and commissions

"EXPERT"

at the Department of Tax Law and Comparative Tax Law of L. Bocconi Univcrsity;

LECTURER OF THE "REAL ESTATE MASTER",

held at SDA Bocconi in Milan editions 2011/12 and 2012/2013;

"REINNOVATION LADY"

In September 2016 she was awarded winner of the price by Scenari Immobiliari

Professional Positions

ENI S.P.A.

Standing Statutory Auditor since 2014

SYNDIAL S.P.A. - GRUPPO ENI

Standing Statutory Auditor since 2015

Mozambique Rovuma Venture S.p.A.

Chairman of the Board of Statutory Auditors since 2015

ENI ANGOLA S.P.A.

Standing Statutory Auditor since 2016

A.G.I. AGENZIA GIORNALISTICA ITALIA S.P.A.

Chairman of the Board of Statutory Auditors since 2016

SINERGIA S.R.L.

Single Statutory Auditor since 2016

CNP UNICREDIT VITA S.P.A.

Standing Statutory Auditor since 2011

ORACLE ITALIA S.R.L.

Standing Statutory Auditor since 2004

CAPITOLOVENTIDUE S.P.A.

Chairman of the Board of Statutory Auditors since 2017 (dicembre)

Roberto Cortellazzo Wiel

Standing Statutory Auditors

Education

Graduated at the Cà Foscari University of Venice in Economics and Commerce with honors.

Professional experiences

Member of the Association of Chartered Accountants of Treviso and Auditor in 1985

Registered at the register of auditors by decree of the Ministry of Justice and Justice of 12.04.1995 published in the Official Gazette no. 31 bis IV special series of 21.04.1995.

Since 1990 he has joined - as an associate - a professional association currently called "Studio Cortellazzo Wiel, Zardet & Associates - Chartered Accountants and Business Consultants" based in Treviso, Piazza Rinaldi n. 4/5.

The Firm, currently composed of six partners, makes use of the collaboration of various professionals and collaborators. It is part of a national professional network of primary importance.

The firm's professional activity is carried out in the areas of corporate, tax, accounting, contractual, pre-insolvency and insolvency advice.

He actively collaborates with the Court of Treviso, where he has assumed numerous positions, as Curator and Judicial Commissioner, in the context of insolvency proceedings, including significant entities, of Inspector and Judicial Administrator. Lastly, he performed expert positions for ex-expert appraisals. art. 2343 e.e. and 2501 quinques e.e. and has collaborated frequently with the Public Prosecutor's Office at the Court of Treviso, as Technical Consultant for Public Prosecutors.

He frequently took on the role of attesting reorganization plans (Article 67, litigation, letter d), and plans for an arrangement with creditors (Article 161, litigation, 186 bis, Articles, and 182 quinques, CLF) As part of his professional activity he has - and still holds - the office of statutory auditor in several limited liability companies (including those belonging to international groups and companies listed on regulated markets).

With regard to relations with the professional association to which it belongs:

- he was a member of the Council of the Young Professional Accountants of Treviso in the two-year period 1991/1992;
- from 1992 to 2005 he was a Director of the Association of Chartered Accountants of Treviso, holding the position of Secretary and Vice-President;
- for some years he was a member of the Editorial Board of the magazine "Il Commercialista Veneto";
- from 1996 to 2004 he was Secretary of the Permanent Conference of the Presidents of the Orders of Chartered Accountants of the Tre Venezie;
- since its establishment, has assumed the role of responsible for the Order of Treviso, the School of Training of Trainees of the Orders of Treviso and Venice (about 200 students) in which he assumed the office of President.

Professional Positions

- Vidue Spa, registered at the Company Register of Pordenone n. 00646010264, Chairman of the Board of the Statutory Auditors;
- Teodomiro Dal Negro Spa, registered at the Company Register of Treviso n. 00177290269, Chairman of the Board of the Statutory Auditors;
- Galletti Aurelio Srl registered at the Company Register of Treviso n. 00396460263, Chairman of the Board of the Statutory Auditors;
- DL Radiators Spa, registered at the Company Register of Treviso n. 00730970266, Single Statutory Auditors;
- Ivone Dal Negro Holding Spa, registered at the Company Register of Treviso n. 03993950264, Chairman of the Board of the Statutory Auditors;
- Gruppo Coin Spa, registered at the Company Register of Venezia n. 04850790967, Standing Statutory Auditor;
- Fisher & Paykel Appliances Italy Spa, registered at the Company Register Treviso n. 03295340263, Standing Statutory Auditor;
- Finbi Spa, registered at the Company Register of Treviso n. 00294490263, Chairman of the Board of the Statutory Auditors;
- Divitech Spa registered at the Company Register of Treviso n. 03286510262, Chairman of the Board of the Statutory Auditors;
- Tierra Spa, registered at the Company Register of Torino n. 09888530012, Standing Statutory Auditor;
- Biasuzzi Spa., registered at the Company Register of Treviso n. 01162910267, Alternate Statutory Auditor;
- Così – Concept Of Style Italy Spa, registered at the Company Register of Venezia n. 03877320279, Chairman of the Board of the Statutory Auditors;
- Excelsior Verona Srl in liquidazione, registered at the Company Register of Mantova n. 02393480203, Chairman of the Board of the Statutory Auditors;
- GCF Spa, registered at the Company Register of Venezia n. 04135270272, Chairman of the Board of the Statutory Auditors;
- OVS Spa, registered at the Company Register of Venezia n. 04240010274, Standing Statutory Auditor;
- Quaser Srl, registered at the Company Register of Pordenone n. 01672470935, Single Statutory Auditor;

- Mitsubishi Electric Hydronics & IT Cooling Systems Spa, registered at the Company Register of Treviso n. 02603430139, Alternate Statutory Auditor;
- Excelsior Milano Srl, registered at the Company Register of Venezia n. 04391470277, Standing Statutory Auditor;
- Coin Srl, registered at the Company Register of Venezia n. 04391480276, Standing Statutory Auditor;
- Centenary Spa, registered at the Company Register of Venezia Rovigo Delta Lagunare n. 04464280272, Standing Statutory Auditor.

Eleonora Guerriero

Standing Statutory Auditors

Education

2007

Authorization to practice the profession of auditor

2009

Authorization to practice as a Chartered Accountant

2002

Degree in Economics and Commerce, 110 and honors, University of Pavia

Professional experiences

In her professional experience at KPMG Studio Associato, she gained various skills in the corporate area, from corporate secretarial activities (preparation of deeds, resolutions and other corporate documentation), to participation in reorganization projects of corporate groups, including public participation. In carrying out its assistance and consultancy activities, she has also dealt with the management of relations with other parties / companies involved in the transactions, with notaries and other entities involved (banks, etc.). In carrying out the aforementioned activities and operations, she also assisted client companies by preparing opinions on specific issues. She holds trade union positions in industrial, commercial and pharmaceutical

Professional Positions

Sti S.r.L.	Standing Statutory Auditor
Ravaglioli S.p.A.	Standing Statutory Auditor
JK Group S.p.A.	Standing Statutory Auditor
Officine Nicola Galperti e Figlio S.p.A.	Alternate Statutory Auditor
F.I.A.L. Finanziaria Industrie Alto Lario S.p.A.	Alternate Statutory Auditor
FIAL International Trading S.p.A.	Alternate Statutory Auditor
Norgren S.r.L.	Standing Statutory Auditor
Nemko S.p.A.	Standing Statutory Auditor
Synlab Italia S.r.L.	Alternate Statutory Auditor
Balconi Pressecentriche S.p.A.	Standing Statutory Auditor
Firmenich S.p.A.	Standing Statutory Auditor
Farmila - Thea Farmaceutici S.p.A.	Standing Statutory Auditor
Erm Italia S.p.A.	Standing Statutory Auditor
Laboratoires Expanscience Italia S.r.L.	Standing Statutory Auditor
Reckitt Benckiser Holdings (Italia) S.r.L.	Standing Statutory Auditor
Reckitt Benckiser Italia S.p.A.	Standing Statutory Auditor
Reckitt Benckiser Healthcare (Italia) S.p.A.	Standing Statutory Auditor
Gruppo Aturia S.p.A.	Alternate Statutory Auditor
Huawei Technologies Italia S.r.L.	Standing Statutory Auditor
Eisai S.r.L.	Alternate Statutory Auditor
Thea Farma S.p.A	Standing Statutory Auditor
Augusto S.p.A.	Alternate Statutory Auditor
Imi Holding Italy S.r.L.	Chairman of the Board of Statutory Auditors
Memc Electronic Materials S.p.A.	Standing Statutory Auditor
Essentra Packaging S.r.L.	Standing Statutory Auditor
Esnt Holdings S.p.A.	Standing Statutory Auditor
Naturex S.p.A.	Standing Statutory Auditor
Ms Printing Solutions S.r.L.	Standing Statutory Auditor
OVS S.p.A.	Standing Statutory Auditor



Antonella Missaglia

Alternate Statutory Auditors

Education

Degree in Economics and Commerce, University of Bergamo,
IPSOA Tax Master 1986/87

Degree in Law, University of Bergamo,
Bergamo Qualification to practice as a Chartered Accountant, registered with the Order of Chartered Accountants of Bergamo
Accounting Auditor.

Professional experiences

Position of Chartered Accountant - Studio Associato - Legal and tax advice (KPMG), Milan

Tax assistance and advice to large and medium-sized companies in the field of direct taxes and VAT, extraordinary transactions and reorganisations in Italy, tax litigation, for primary clients.

Professional Positions

DAC Distribuzione Alimentari Convivenze S.p.A. – in forma abbreviata DAC S.p.A. – Standing Statutory Auditor

Spirax – Sarco S.r.l. – Standing Statutory Auditor

Balconi Pressecentriche S.p.A. – Alternate Statutory Auditor

S.G.G. Holding S.p.A. – Alternate Statutory Auditor

CRC Italia S.p.A. - Alternate Statutory Auditor

Gruppo Aturia S.p.A. – Standing Statutory Auditor

Maisons Du Monde Italie S.p.A. – Alternate Statutory Auditor

La Rinascente S.p.A. – Standing Statutory Auditor

CRC Rinascente S.p.A. – Standing Statutory Auditor

Naturex S.p.A. – Alternate Statutory Auditor

OVS S.p.A. – Alternate Statutory Auditor

BKB Italia S.r.l. – Alternate Statutory Auditor

Stefano Poggi Longostrevi

Alternate Statutory Auditors

Education

February 1989

He graduated in Economics and Commerce at the Bocconi University of Milan with a 110/110 cum laude vote.

Languages spoken English: fluent French: fluent

Professional experiences

Chartered Accountant registered with the Order of Chartered Accountants of Milan since March 14, 1990.

Registered with the Register of the Register of Statutory Auditors of the General Accounting Office of the State - Ministry of Economy and Finance - at n. 46635 (Ministerial Decree of 12 April 1995 published in the Official Gazette No. 31 bis of 21 April 1995).

Member of the Order of Journalists of Milan, as a Publicist, since November 1997.

Registered in the List of Technical Consultants of the Court of Milan (registration number 13588) for Company Law and Extraordinary Corporate Transactions.

Since 1990 he has worked as a professional consultant in tax law and commercial law, for various companies and groups, both Italian and foreign, mostly operating internationally, including companies listed on regulatory markets or controlled by foreign listed multinationals.

Since 1991 he has been developing his own business specializing in tax and corporate assistance and consultancy in extraordinary transactions, mergers and acquisitions, including the preparation of Statutes and Shareholders' Agreements for Company Governance.

Since 1991 he has carried out numerous assignments of company evaluations, sworn appraisals of esteem and due diligence of companies.

As far as the legal control of accounts is concerned, he has held, since 1990, positions as Statutory Auditor or Chairman of the Board of Statutory Auditors in various joint-stock companies.

Since 2000 he has been a lecturer in the State Exam Preparation Course as a Chartered Accountant, where he has been teaching commercial law for years on increases and reductions in capital and the issue of bonds.

Since 2000 he has been a member of the Tax Compliance Committee of the Italian Association of Chartered Accountants (AIDC) of Milan, from 2005 to 2013 he was Vice President of the Commission and from October 2013 he was appointed Expert of the AIDC Commission, the only one in Italy on the subject (which provides an authoritative orientation in the interpretation of the most controversial tax matters and to date has elaborated over 200 rules of behavior).

Since 2007 he has been a member and secretary of the Commission for examining the compatibility with the European Union law of Italian tax rules and practices, Commission of the Italian Association of Chartered Accountants (AIDC) of Milan, which draws up specific complaints for the opening of procedures infringement cases, sent to the EU Commission in Brussels.

Since 2012 he is a lecturer in the Master in Tax Law at the Catholic University of Milan.

Professional Positions

AQUAFIL S.p.A. (listed) – Chairman of the Board of Statutory Auditors
A.T.M. (AZIENDA TRASPORTI MILANESI) S.p.A. – Chairman of the Board of Statutory Auditors
COMPAGNIA FIDUCIARIA NAZIONALE S.p.A. – Chairman of the Board of Statutory Auditors
CORNING PHARMACEUTICAL GLASS S.p.A. – Chairman of the Board of Statutory Auditors
GERLI A. & G. S.p.A. - Chairman of the Board of Statutory Auditors
IMEMONT S.r.l. - Chairman of the Board of Statutory Auditors
IMEQUADRI DUESTELLE S.p.A. - Chairman of the Board of Statutory Auditors
SHISEIDO GROUP ITALY S.p.A. – Chairman of the Board of Statutory Auditors
INSIGHT TECHNOLOGY SOLUTIONS S.r.l. – Single Statutory Auditor
COCA COLA ITALIA S.r.l. – Standing Statutory Auditor
CEMITAL S.p.A. (financial holding) – Standing Statutory Auditor

DENTAL LEADER S.p.A. - Standing Statutory Auditor
GIMA S.p.A. - Standing Statutory Auditor
I.M.E. S.p.A. - Standing Statutory Auditor
LEADER PRICE ITALIA S.p.A. – Standing Statutory Auditor
L’OREAL ITALIA S.p.A. – Standing Statutory Auditor
PRIVITAL S.p.A. (holding finanziaria) – Standing Statutory Auditor
SICK S.p.A. – Standing Statutory Auditor
OVS S.p.A. – Alternative Statutory Auditor

Publication

He is the author of numerous articles on tax issues on national daily primaries (Corriere della Sera and Il Sole 24 Ore) and publications on tax and corporate issues in specialized magazines (IPSOA WKI magazines, including Corriere Tributario, Professional Practice, Cases, Company and Fisco).

From October 1995 up to now he has worked regularly with Corriere della Sera - Corriere Economia insert, personally publishing hundreds of articles on tax matters.

Since 1998 he has also been a speaker at conferences on tax and corporate issues, in particular on income and VAT taxes, financial statements and accounting standards and extraordinary transactions.

He has been also co-author (since 2002) of the TuttoFisco book, published annually by Corriere della Sera.