



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

Issuer: OVS S.p.A.

Web site: www.ovscorporate.it

Financial Year 2018 (ending on January 31, 2019)

Approved by the Board of Directors on April 17, 2019

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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 2018 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 17, 2019.

Financial Year: the financial year to which the Report is referred, i.e. the 2018 financial year which ended on January 31, 2019.

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..

MAR: EU Regulation no. 596/2014 issued by the European Parliament and Council on April 16, 2014.

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.

PREMISES

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 (“**First Day of Negotiations**”), 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 2019 version).

This Report was approved by the Board of Directors of the Company on April 17, 2019, 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**”).

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. On the point, also see Table no. 4.

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.

OVS is the leading company in Italy in the clothing market active in the creation, production and marketing of clothing for women, men and children through the OVS and UPIM brands.

The OVS brand was born within the Coin Group in 1972 and with a progressive expansion of its network it has been able over time to develop a bond of trust with customers, reaching a brand awareness in the Italian market of 100% in 2018 (source Doxa 2017: men and women aged between 20 and 55 years).

OVS also holds the UPIM brand which is positioned in the value segment of the clothing products market for women, men and children in Italy and is aimed primarily at the family. UPIM, present in Italy since 1928, was acquired in January 2010.

The Company operates according to a business model typical of vertically integrated retailers and envisages the following activities: product development entrusted to a team of product managers, designers and merchandisers, who, relying on an organizational structure highly specialized in sourcing with a strong presence in the key geographical areas, conceives, develops and realizes the merchandise mix through external suppliers, under the artistic guidance of the fashion coordinator and the organizational manager of the category manager.

OVS operates through its sales network throughout the national territory with stores that are characterized by different dimensions in terms of surface area and different management methods (direct or franchised sales). The Group is also the leader, in the child category in Italy and in recent years has received the recognition of the "Retailer of the Year" award for some product categories.

Mission and values

OVS has set itself the mission of "making beauty accessible to all", and bases its success on concrete values that inspire the behavior of all the people who take part in the business processes.

The Values and Behaviors, described below, represent the founding elements, present and acted daily by each person who constitutes the great OVS team.

A team that in a consistently cohesive and motivated manner and through constant adherence to them, determines, every day, the path of extraordinary growth and development that the company has undertaken with passion, pragmatism, determination and success and will allow to achieve ever more objectives challengers in a sustainable manner.

Value creation: Generating value in everything we do for customers, colleagues, the company and the communities in which we operate.

Imagination: Imagining without limits beyond customs.

Innovation: Having a natural aptitude for change and continuous improvement.

Team work: A single team as the sum of the value of individuals.

Italian lifestyle: Italian excellence offers everyone the charm of a unique lifestyle.

Respect: Always act with respect for ourselves, others and the environment in which we live.

Openness: Being open to news and diversity.

In designing its sustainability strategy, the Company is inspired by a manifesto that fully defines the spirit of the #wecare program.

#wecare MANIFESTO

"We are aware of the role we can play in TAKING CARE of a MORE SUSTAINABLE FUTURE for the environment, for the millions of customers who trust us and for all the people who work with us.

We want to create LOVELY AND ACCESSIBLE CLOTHES that have a POSITIVE IMPACT on the world and the people who live there.

We know we are facing a LONG ROUTE and are committed to improving with every step.

We ask ourselves every day what is more RIGHT and we rethink what we do to DRAW A FASHION where BEAUTIFUL is necessarily GOOD too. "

2. INFORMATION ON OWNERSHIP STRUCTURES (pursuant to article 123-bis, paragraph 1 of the TUF) as at January 31, 2019

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

At the date of the 2019 financial year, January 31, 2019, 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 respectively 2015 Shareholders' Meeting and 2017 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/2015 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**"), during the Financial Year, between the shareholders of the Luxembourgian company Icon1 S.A., that, at on January 31, 2018 *de facto*¹ and indirectly controlled OVS – by Icon2 S.a.r.l. and Gruppo Coin S.p.A.

It is specified, as indicated in chapter 17 "Changes since the end of the Financial Year", that said Shareholders' Agreement ceased its effects towards OVS on March 11, 2019.

¹ Gruppo Coin S.p.A. has held until March 11, 2019 a stake of just over 17% and Gruppo Coin S.p.A, at the time of the renewal of the administrative body on May 31, 2017 - against the ownership, at the time, of about 30% - had 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, both on the agreement and cessation of its effects, reference is made to the abstract of the Shareholders' Agreement communicated to CONSOB pursuant to art. 122 of the TUF, which may be consulted on the "Issuers" section of the Consob website www.consob.it and on the Corporate website www.ovscorporate.it on the Governance/Patto Parasociale Section.

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).

It should be noted that the new corporate structure and the new composition of the Board of Directors, which took place respectively on 11 March 2019 and 13 March 2019, for the details of which can be found in the contents of the caption 17 "Changes since the end of the reference year", does not determine, pursuant to the existing loan agreement, the c.d. «Change of Control» event.

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, 2018 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/2018* section.

The Company, at the Date of the Report, has executed the above-mentioned buyback plan and holds, at the date of the end of the Financial Year no. 809.226 treasury shares, equal to 0.356% of the share capital..

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/codice.html.

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 vitae 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.

It should be noted that at the time of the appointment of the Board of Directors, which took place on May 31, 2017, the shareholding determined by Consob pursuant to Article 144-*quater* of the Issuers Regulation amounted to at least 1.0% of the share capital, as established by Consob Resolution no. 19880 of February 15, 2017.

Succession plans

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, had proposed to evaluate during the financial year 2018 whether to confirm such orientation or to proceed with the adoption of a Succession Plan.

The adoption or not of a succession plan has been the subject of a specific analysis within the board evaluation process carried out during 2018 (the details of which will be provided in chapter 4.3); the results of the aforementioned board evaluation were analyzed during the meeting of the Board of Directors on January 31, 2019, which considered it appropriate to instruct the management to proceed with the preparation, with the support of a specialized consultant, of a succession plan for the CEO, as well as the so-called replacement tables for key managers, which will be presented to the Nomination and Remuneration Committee during the first half of 2019 and which will govern the hypotheses of emergency replacement and in the medium term continuity.

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 Board of Directors that had been elected was 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.

On June 1, 2018, director Vincenzo Cariello resigned. As a result, on June 20, 2018 the Board of Directors, upon favorable opinion of the Board of Statutory Auditors, pursuant to the provisions of the Bylaws, co-opted Elena Garavaglia, drawing her from the same list as of that of so-called minority body from which the resigned director had been drawn. The co-opted Director will remain in office until the next Shareholders' Meeting, called for May 31, 2019, which is called to confirm his appointment; if so confirmed, the director will remain in office for the current mandate of the current Board, which will expire with the approval of the financial statements at January 31, 2020.

At January 31, 2019, the members of the Board of Directors were 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
Elena Garavaglia (*) (***)	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 2.1** in the appendix for details of the composition of the Board of Directors and length of service since the first appointment, with reference to the end of the Financial Year (January 31, 2019).

With regard to the changes made to the composition of the Board of Directors in March 2019, please refer to the information in chapter n. 17 "Changes since the end of the financial year" and in the appendix.

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

Criteria and 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 May 31, 2017 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 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.

With regard to diversity matters the current composition of the corporate bodies of the Company is as follows: (i) the BoD is composed of 3 women directors out of 9 (1/3); (ii) the Board of Statutory Auditors is composed of 1 woman and 2 men (among which the Chairman); (iii) with reference to the represented age, directors are between 40 and 78 years old; in particular, no. 3 directors are between 40 and 49 years old, no. 3 directors are between 50 and 55 years old, no. 2 directors between 60 and 68 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, university teachers of economics and law and lawyers.

The Board of Directors of February 28, 2019 formalized 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.

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.

With reference to the measures adopted to promote equal treatment and opportunities between genders within the entire company organization and the related monitoring, reference is made to the non-financial statement integrated into the financial statements for the 2018 Financial Year.

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.

As shown in Table n. 2 the presence at the meetings of the corporate bodies and endoconsideral committees of the majority by the Directors in office at the date of this Report is 100% (with the exception of 3 directors whose presence is between 80% and 93%); this demonstrating that the further tasks performed are in any case compatible with the commitments required by the Company.

Induction programme

During 2018, the Company implemented some specific training measures for the members of the Board of Directors and the Board of Statutory Auditors.

The induction program was structured in three separate sessions that concerned 1) the Board of Directors, its functions and responsibilities and the reference regulatory framework, 2) the characteristics and structure of the group and 3) risks and control internal, non-financial information.

The members of the Board of Directors and of the Board of Statutory Auditors and some managers of the Company took part in each session.

With reference to the speakers of the individual sessions, for the first session the company made use of external consultants, while the speakers of the second and third induction sessions were the Company's managers, each for their respective areas of competence, who illustrated the various topics.

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

During the Financial Year 2018, the Board of Directors has met 14 times. At the date of approval of the Report no. 4 meetings were held, including the meeting on April 17, 2019, during which this Report was approved. During 2019 at least other 5 meetings are foreseen.

The Board of Directors during the meeting held on 12 December 2018, approved a calendar 2019 integrated with all the board's meetings and Committee's meeting.

The share of participation of each director is shown in Table 2.

The average length of each meeting was approximately 4 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, as well as possible urgency related to certain subjects.

The Board of Directors of January 31, 2019, as requested by the letter of the chairman of the Corporate Governance Committee sent to issuers on December 21, 2018, took note of what was requested in the aforementioned letter and considered it appropriate to discuss the term considered appropriate in a subsequent meeting, also in consideration of the fact that a regulation of the same Board is being prepared, which will also govern this aspect. The Company specifies that the adoption of the Regulation of the Board of Directors should be completed during the first half of 2019.

During the financial year the Company implemented the notice period for sending the documentation, from 3 days, as required by the Articles of Association, to 5-6 days before the meeting. This deadline has tended to be respected, with the exception of particular cases, for example in the case of meetings called urgently, in which case the documentation was sent as soon as it was available.

During the year the Company implemented an ad hoc document transmission system, through an electronic platform, with personal and protected access, which ensures the confidentiality of the data and information provided..

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, lastly, during the meeting of April 17, 2019, making reference to the documentation made available to the Board from the competent corporate bodies, 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, 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. The Board, during the abovementioned meeting, evaluated adequate the organisational, administrative and general

accounting structure of the Company, with particular reference to the internal control system and management of the risk.

With reference to the subsidiaries with significant importance, on February 28, 2019 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.

With regard to the operations of the Company and its subsidiaries, when such operations have a significant strategic, economic, equity or financial importance for the Company itself, they are reserved to the exclusive competence of the Board of Directors.

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, In line with the provisions of the Corporate Governance Code, the Board of Directors of OVS has carried out the self-assessment of the Board itself and of its Committees (also known as Board Performance Evaluation or Board Review at international level), referring to the year 2018, to the which were attended by the 9 current Directors.

The 2018 Board Performance Evaluation was conducted through:

- interviews with the Directors on the size, composition and functioning of the Board, carried out by the advisor Spencer Stuart, a company that did not provide further professional services to OVS and that has extensive and many years of experience in the Board Performance Evaluation.

- In addition to the Directors, the advisor also met the members of the Board of Statutory Auditors, the Secretary of the Board of Directors, the Head of Internal Audit and the CFO.
- The interviews with the Directors were conducted using a structured "questionnaire", which was filled in by the Directors themselves before the individual interview.
- An analysis of best practices and comparison with the practices adopted by the Board of OVS were also carried out on the functioning of the Board of Directors; to this end, a specific study, recently updated by Spencer Stuart at an international level, called "Boardroom Best Practice" was used.
- To acquire useful information, the corporate documentation was analyzed, in particular the minutes of the meetings of the Board of Directors, of the Committees and of the Board of Statutory Auditors, in order to understand the methods of interaction of the Directors, the interventions carried out, the topics discussed and the their frequency on the agenda.
- For the same purpose, a representative of the advisor Spencer Stuart attended the meeting of the Board of Directors on September 19, 2018.
- At the end of its activities, the advisor prepared a report which was presented to the Compensation and Nomination Committee (which oversees the process) in the meeting of January 25, 2019 and to the Board of Directors in the meeting of January 31, 2019, which acknowledged the results of the self-assessment process.
- The Board, at this last meeting, approved the action plan to achieve further improvement of the functioning of the Board and the Committees, which will be the starting point for the next Board Performance Evaluation for 2019.

2018 saw the Board of Directors of OVS involved in both the aspects connected with the ordinary management of the business and in some extraordinary topics connected with the performance of some investee companies and corporate governance.

The Board Performance Evaluation highlighted the Directors' appreciation for the work that the CEO and management are doing or are planning to do to improve both business performance and to continue the improvement process in internal governance processes. In particular, the following strengths emerged regarding the functioning of the Board: (i) the adequacy of the disclosure, by the Chief Executive Officer, of the performance of the business; (ii) the clarity and completeness of the meeting agendas; (iii) the quality of the information and documentation made available to the Directors; (iv) access to documentation through the web platform; (v) simultaneous translation of the collegiate works, which encourages debate and participation; (vi) the quality of the minutes of the meetings of the Board of Directors and the Committees; (vii) the work of the Committees, which allowed the in-depth study of the issues pertaining to them and the realization of preliminary investigations useful to support the board resolution process.

Some areas of improvement have also been identified. In particular, the opportunity to: (i) spend more time analyzing and sharing strategies, deepening business performance, understanding the choices made by competitors to tackle the difficulties of the sector, both in the course of the scheduled meetings of the Board of Directors, both through ad hoc occasions, for example in conjunction with the presentation of the quarterly results or through the organization of the annual Strategy Day with the participation of the key management; (ii) continue the induction and update process for the Directors and the Statutory Auditors, also including some topics such as the integration between strategic planning and Enterprise Risk Management –ERM and how the Company is addressing the regulatory requests relating to information not financial; (iii) to submit to the Board the succession plan of the CEO and the replacement tables for managers with strategic responsibilities; (iv) to periodically update the Directors on financial analysts' outlooks and Investor Relator activities; (v) prepare the integrated annual calendar of board meetings with those of the Committees and the Board of Statutory Auditors; share it with company managers to allow them to plan the preparation of documents for the Board and Committees and consequently to systematically respect their transmission times; (iv) maintain monitoring on timeliness in sending documentation and minutes of Board and Committees.

The current size of the Board is considered adequate by the Directors. Regarding the composition, which is also considered adequate, the Directors believe that, in the event of the co-optation of a new Director, during the mandate, the skills to be strengthened are: knowledge of the business, in particular digital and omni-channel, as well as technical and legal skills².

It should be noted that in view of the renewal of the administrative body, which took place with the Shareholders' Meeting of May 31, 2017, the Board of Directors, on the proposal of the Nomination and Remuneration Committee, also in light of the results of the self-assessment questionnaire had been used for performance evaluations in 2016, had expressed to the shareholders, guidelines on the managerial and professional figures, whose presence on the board would have been considered appropriate, reporting its considerations of the Directors 'explanatory report to the Shareholders' Meeting that had been made available under the terms and methods established by current legislation.

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; and (B) in order to enable him to carry out his mandate as Chief Executive Officer and to carry out his duties as General Manager, specific powers, to be exercised with a single signature and with the right to sub-delegate, within the limits of the value indicated for as regards certain contracts (equal to Euro 10,000,000), deeds or transactions of significant financial and managerial significance and with the obligation to report to the Board on their actions..

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.

² It is reminds that Massimiliano Magrini, coopdet on 13 March 2019, holds digital skills.

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 Elena Garavaglia, 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 Elena Garavaglia 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 (resigned on June 1, 2018) 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.

Following the resignation of Director Vincenzo Cariello, which took place on June 1, 2018, the Board, during the meeting of June 20, 2018, subject to the favorable opinion of the Nomination and Remuneration Committee, co-opted Elena Garavaglia, drawn from the same minority list from which the Councilor had been taken resigned.

At the time of co-optation, the Board proceeded to verify the existence of the independence requirements set forth in the combined provisions of articles 147-ter, paragraphs 4 and 148, paragraph 3, of Legislative Decree February 24, 1998, to the co-opted Director Elena Garavaglia n. 58, as well as the independence requirements recommended by art. 3 of the Corporate Governance Code.

The Board of Statutory Auditors has also verified the correct application of the assessment criteria and procedures adopted by the Board to assess the independence of the Coopted Director.

This was announced in the press release released to the market on June 20, 2018 following the co-optation.

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 performed by the Board of Directors on February 28, 2018 and, with reference to Massimiliano Magrini, on 13 March 2019, (as better describe at Chapter no. 17 "Changes after the end of the Fiscal Year").

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

The Board of Statutory Auditors, in the meeting held on April 3rd, verified the correct application of the criteria and procedures adopted by the Board to assess the independence of its members Gabriele Del Torchio, Elena Garavaglia, Heinz Krogner e Chiara Mio (see Board of Directors meeting of February 28th, 2019) and Massimiliano Magrini (see Board of Directors meeting of March 13th, 2019).

During the Financial Year, the Independent Directors met once in the absence of the other Directors and the discussed topics were: analysis of the internal procedure adopted by the Company (regarding privileged information, internal dealing and insider register) suggesting to proceed with an update of the procedures as the Company declared to carry on; analysis of the letter from the Chairman of the Corporate Governance Committee sent to the issuers on December 21, 2018, evaluating the practices followed by the Company on such recommendations and the possible actions to undertake; an excursus of the amendments of the Corporate Governance Code of the listed companies of July 2018, evaluating both the practice followed by OVS with reference to the modifications and the possible actions to undertake; the information flows toward the independent directors and possible action of improvement.

The Directors who, on the lists for the appointment of the Board, have indicated their suitability to qualify as independent, maintained their independence during the Financial Year and the duration of their mandate.

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 of company information processing and the updating of documents and information for external communication
- the procedure for registering persons who have access to privileged information;
-
- the procedure for the management of disclosure requirements arising from the internal dealing regulations.

In line with what prescribed the MAR, 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" 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.

During the year, the Company began the activity of reviewing and updating the aforementioned procedures in order to implement national and international best practices as well as align them with the new organizational structure of OVS. The new procedures will be presented and subjected to the analysis of the Independent Directors, in order to implement their suggestions and observations, and to the approval of the Board within the first half of 2019.

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, also applied by other issuers, 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 and integrated, following the resignation of a Director, on June 20, 2018, replacing the resigned director with the coopted director.

The Nomination and Remuneration Committee was composed, at the end of the Fiscal Year, 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 Elena Garavaglia (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.

It is specified that, as indicated in the chapter n. 17 "Changes since the end of the Reference Year", on March 13, 2019, Nikos Stathopoulos resigned as a member of the Nomination and Remuneration Committee of the Company and the Board of Directors appointed, as his replacement on the Committee, Giovanni Tamburi, remaining unchanged the other components.

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

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

The Chairman of the Nomination and Remuneration Committee reports (i) to the Board of Directors, at least every six months, and in any case to the first Board of Directors, useful after the meeting of the Committee, regarding the activity performed, and (ii) to the Shareholders' Meeting, on an annual basis, on the occasion of the approval of the financial statements regarding the procedures for exercising their

functions, through the Remuneration Report, where the activity carried out by the Committee is indicated in detail.

The Nomination and Remuneration Committee reported on the activity carried out during the 2018 Financial Year to the Board of Directors lastly on April 17, 2019.

During the Financial Year 2018, the Nomination and Remuneration Committee held 6 meetings; at least other 3 meetings of the Nomination and Remuneration Committee have been scheduled for the financial year 2019, of which one already held on April 9-17, 2019. The average length of each meeting was approximately 2 hours.

During the 2018 financial year the Appointments and Remuneration Committee met a total of 6 times. At least 3 meetings are scheduled for the 2019 financial year, one of which has already been held, on 9-17 April 2019. The average duration of Committee meetings is about two hours.

With reference to the participation of the members in the meetings of the Committee, reference is made to what is indicated in Table n. 2.

In line with the recommendations of article 6.C.6 of the Corporate Governance Code, no director takes part in the meetings of the Nomination and Remuneration Committee, in its role as Remuneration Committee, in which proposals are formulated to the Board of Directors regarding to his own remuneration.

The Chairman of the Board of Statutory Auditors (or another statutory auditor designated by him) takes part in the meetings of the Nomination and Remuneration Committee and the other auditors may also participate. The Chairman of the Nomination and Remuneration Committee has the right to invite to the meetings of the Nomination and Remuneration Committee other subjects whose presence may be of assistance in the best performance of the functions of the Appointments and Remuneration Committee.

During the year, all the members of the Board of Statutory Auditors were always invited to all Committee meetings; the Chairman of the Board of Statutory Auditors has always attended all the meetings of the Committee as well as the Statutory Auditors.

In addition to the Secretary and the staff of the Corporate Secretariat, Committee meetings were attended by the President of the Committee and according to the topics raised during the meeting, the Personnel Director, the Chief Financial Officer with regard to the meetings where they are the parameters for the achievement of the MBO targets and the accrual of the Options were verified, the consultants of the Committee charged with carrying out particular activities such as the structure of the remuneration policy and the board evaluation.

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 reference to the existing Stock Option plans, the Committee formulated non-binding opinions and proposals also suggesting the objectives connected to the granting of these benefits and the criteria for assessing the achievement of these objectives, as well as monitoring the evolution and application over time of the plans approved by the Shareholders' Meeting on the 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 facto the independence of judgment of the consultants themselves.

During the Financial Year, the Committee made use of the services of an external consultant in order to obtain information on market practices regarding remuneration policies; for the purpose of the appointment he verified beforehand that this consultant was not in situations that could compromise the independence of judgment. To this end, the Committee has evaluated a range of candidates, analyzing any professional relationships that have existed and exist between the Company and the same; from this analysis it emerged that the chosen consultant was not in any situation that would compromise the independence of judgment.

During the Financial Year 2018, the Nomination and Remuneration Committee, inter alia:

in its function as Nomination Committee

- (a) proposed to the Board of Directors as candidate for the office of director, Elena Garavaglia, for the co-optation of the independent director who resigned on June 1, 2018; the candidate, in compliance with the provisions of the Bylaws, was taken from the same minority list from which the director had been appointed who resigned;
- (b) supervised the annual self-assessment of the Board and its Committees pursuant to the Code, entrusting the task to an external consultant and analyzing the results obtained by the aforementioned process;

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;
- (f) analyzed the content of the Remuneration Report, approved on April 18, 2018 and published on April 26, 2018, also reviewing its contents with a view to more complete information to the market, including some clarifications and/or clarifications³.
- (g) expressed its own opinions and made suggestions regarding the remuneration of managers with strategic responsibilities, also during the year following some changes in the corporate organization

It is also recalled that, in consideration of the renewal of the Board, happened during 2017, the outgoing Nomination and Remuneration Committee had issued proposals and non-binding opinions to the shareholders on managerial and professional skills, that should have been deemed appropriate within the Board.

On the Date of the Report, the Board of Directors has set an annual budget available to the Committee equal to Euro 82,000 without prejudice to any assignments already conferred and that the Appointments and Remuneration Committee, if deemed necessary by the same, may request and find additional financial resources for the performance of their duties using the budget indicated under the item "Corporate Expenses" in order to better safeguard the autonomy and independence of the committee.

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

³ The Report so reviewed and integrated was published on May 30, 2018.

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 and integrated, following the resignations of a Director, on June 20, 2018, replacing the resigned director with the coopted one..

The Control, Risks and Sustainability Committee is composed by the following three independent directors: Chiara Mio (as Chairman), Gabriele Del Torchio and Elena Garavaglia. 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 his appointment.

The work of the Control, Risk and Sustainability Committee is coordinated by the Chairman Chiara Mio. The meetings of the Control, Risk and Sustainability Committee are minuted. The President and the secretary sign the minutes of the meetings which are kept by the secretary in chronological order.

The Chairman of the Committee reports to the Board on the activity carried out at least every six months and, in any case, at the first useful meeting. The Control, Risk and Sustainability Committee reported last to the Board of Directors on April 17, 2019.

During the Financial Year 2018, the Control, Risks and Sustainability Committee held 6 meetings; at least 6 meetings of the Committee have been scheduled for the financial year 2019, among which 2 were already held on February 18, 2019 and April 9-17, 2019. The average length of each meeting was approximately 3 hours.

With reference to the participation of the members in the meetings of the Committee, reference is made to what is indicated in **Table no. 2**.

The Chairman of the Board of Statutory Auditors (or another statutory auditor designated by him) takes part in the meetings of the Control and Risk and Sustainability Committee and the other auditors may also participate. The Chairman may from time to time invite to the meetings of the Control and Risk and Sustainability Committee other members of the Board of Directors and of the Board of Statutory Auditors, the auditors, the heads of the Company's corporate functions, or other subjects whose presence may be helpful to the best performance of the functions of the Control and Risk and Sustainability Committee itself.

During the Financial Year, all the members of the Board of Statutory Auditors were always invited to all the meetings of the Committee and the Chairman of the Board of Statutory Auditors always participated as well as the other Statutory Auditors.

In addition to the Secretary and the staff of the Corporate Secretariat, upon invitation of the Chairman of the Committee, Committee meetings were attended by the Chief Financial Officer, the Head of Internal Auditing, representatives of the Company of Audit, DPO and manager of the Company to deal with individual items on the agenda being discussed during the meetings.

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 Control, Risks and Sustainability Committee, pursuant to article no. 7 of the Code, Criteria 7.C.1, during the Financial Year 2018, 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) expressed its positive opinion on 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, 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) monitored the autonomy, adequacy, effectiveness and efficiency of the internal auditing function;
- g) analyzed and was kept informed and updated about some matters of particular relevance, identified time by time by the Committee during the Financial Year.

It should be noted that the majority of meetings (4 out of 6) meetings were held in whole or in part jointly with the meetings of the Board of Statutory Auditors.

As for the Nomination and Remuneration Committee, as of the Date of the Report, the Board of Directors has set an annual budget available to the Committee of 80,000 euros, without prejudice to the tasks already assigned and that the Control and Risk and Sustainability Committee, if it is deemed to be from the same necessary, it may request and find additional financial resources for the performance of its tasks using the budget indicated in the item "Corporate Expenses" in order to better safeguard the autonomy and independence of the committee.

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, the Company, during the definition of the three-year strategic plan, approved by the Board of Directors on December 12, 2018, has defined 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.

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 a qual-quantitative approach or, 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. It should be noted that the aforementioned guidelines are being revised and updated and it is assumed that this process will terminate indicatively during the first half of 2019.

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 formalized in the 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.

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 and adequate in relation to size and the organisational and operational structure of the Group.

In particular, the Committee, on the basis of the evidence obtained in carrying out its work, evaluated that the current internal control and risk management system is reasonable and adequate in relation to size and the organisational and operational structure of the Group

As part of the above, the Board of Directors of the Company on April 17, 2019, acknowledging the view expressed by the Control, Risks and Sustainability Committee on April 9-17, 2019 and the Director in charge of the internal control system, assessed the internal control system as substantially adequate, with reference to the characteristic of the company and the risk, noting the ability of such to mitigate each of the risks described above.

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 2019 has been approved by the Board of Directors on February 28, 2019 upon the favorable opinion of the Control, Risks and Sustainability Committee, who approved the plan on February 18, 2019, 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 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 Chief Executive Officer, 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.

The relevant companies of the Group are annually identified 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.

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.

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, coordinated with the internal auditing function, avails himself of external advisors 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 and submitted them to the examination of the Board, by submitting to it the results of the risk assessment activity;
- 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, also through verifications carried out by the internal auditing function and the Manager Assigned;
- 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, putting into place corrective actions on the basis of the results of the risk assessment activity, of the audits and the verification of the Manager Assigned.

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 2019 available for the internal auditing function is equal to Euro 160,000.

It should also be noted that with a view to optimizing the verification initiatives and in order to share information found in the performance of the interventions, the Internal Auditing Function works closely with the Supervisory Body and the Executive in Charge, who are with dedicated budgets for acquiring external support of € 20,000 and € 25,000 respectively.

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, 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 2018 Auditing Plan.

He also illustrated to the aforementioned bodies the new Auditing Plan 2019 with report on February 28, 2019, 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 February, 2019, 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 2018, the auditing activities mainly concerned the following areas: (i) Risk Assessment; (ii) control of the procedures managed by the Security function; (iii) control of the selection and management procedures of the insurance covers; (iv) verification of the commercialization procedures of goods in foreign markets; (v) control of the treasury procedures and focus on the IT supporting system. 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.

During the 2018 Financial Year, in order to carry out the auditing activities envisaged in the annual plan, the internal audit function availed itself of the assistance of external consulting companies specialized in the activity of "Risk Consultant" (Protiviti S.r.l.), which they provided a mainly operational data retrieval contribution.

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 17, 2019.

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, CFO of OVS, 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**").

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 2018, two meetings of the Control, Risks and Sustainability Committee took place involving the members of the Control, Risks and Sustainability Committee, the Head of the Internal Audit department, the Manager Assigned, the Board of Statutory Auditors, representatives of the auditing firm.

Furthermore, no. 4 meetings of the Control and Risk and Sustainability Committee jointly, in whole or in part, with the Board of Statutory Auditors.

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 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**"). The RPT Procedure was revised during the year and was approved, in the new version, by the Board of Directors on 19 September 2018, subject to the favorable opinion of the RPT Committee.

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 Elena Garavaglia (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 2018, the Committee met 7 times and the average duration of the meetings is about 2 and a half hours.

With reference to the participation of the members in the meetings of the Committee, reference is made to what is indicated in Table n. 2.

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.

During the Financial Year, all the members of the Board of Statutory Auditors were always invited to all Committee meetings; the Chairman of the Board of Statutory Auditors has always attended all the meetings of the Committee as well as the Statutory Auditors.

In addition to the Secretary and the staff of the Corporate Secretariat, Committee meetings were attended by the Chief Financial Officer, as well as managers of the Company to discuss individual topics to order of the day being discussed during the meetings.

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 80.000, 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 2018, other than being involved in the updating of the RPT Procedure, was also involved in a transaction with related parties of greater relevance pertaining to the relationship with Sempione Fashion, as well as in a couple of transactions with related parties of minor relevance with the company Coin S.p.A., regarding the opening of some corners by some stores and the

approval of a recovery plan of a credit, for which it expressed its favorable opinion (binding for the transaction of greater relevance and non binding for the transactions of minor relevance). The Committee was also updated on the transactions carried out and the exempted transactions carried out by the Company.

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.

To the Board of Directors is reserved the approval of the transactions to be carried out in situations of possible conflict of interests.

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.

Without prejudice to what follows, the Board of Statutory Auditors, in charge at the date of this Report, was appointed by the Shareholders' Meeting on May 31, 2017 and 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.

It should be noted that upon the appointment of the Board of Statutory Auditors, which took place on May 31st, 2017, the shareholding determined by Consob pursuant to Article 144-quater of the Issuers Regulation was equal to at least 1.0% of the share capital, as established by Consob Resolution no. 19880 of 15 February 2017

On June 1st, 2018, the President of the Board of Statutory Auditors, Paola Camagni, resigned. Consequently, on June 1st, 2018, pursuant to the provisions of art. 24.2 of the Bylaws, the position of Statutory Auditor and Chairman of the Board of Statutory Auditors was taken over by Stefano Poggi Longostrevi, Alternate Auditor expressed by the same list from which Ms. Paola Camagni was drawn. The current Chairman of the Board of Statutory Auditors will remain in office until the next Shareholders' Meeting to be held on May 31st, 2019, called to confirm him and to appoint the new alternate auditor. The Statutory Auditors thus appointed will remain in office until the expiry of the Board of Statutory Auditors, or with the approval of the financial statements at January 31st, 2020.

The members of the Board of Statutory Auditors are:

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

During the year, 24 meetings of the Board of Statutory Auditors were held (4 of which were jointly held in whole or in part with the Control and Risk and Sustainability Committee). The average duration of the meetings of the Board of Statutory Auditors is approximately 2 and a half hours.

Criteria and diversity policy

The actual participation of each Statutory Auditor at the meetings of the Board of Statutory Auditors is indicated in percentage form in Table 3 in the appendix.

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 2 women (one Standing Auditor and one Alternate Auditor) and 2 men (the Chairman and one Standing Auditor); they are between 41 and 61 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 Company by practice, also taking into account the practice that is followed by the other issuers, in accordance with the following:

- 1) in addition to implementing the regulations in force, pursues the diversity in relation to the composition of the corporate bodies, takes into account the age, the gender composition and the educational and professional backgrounds, also at an international level;
- 2) the Board of Directors expresses to the shareholders guidelines on the optimal composition of the Board, with particular reference to elements such as the age, gender and educational and professional background of the candidates.

In this way, the Company will pursue the objective of seeing people with different skills and experience represented within the College, with distinct training courses in order to enrich the skills and knowledge within the control body.

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.

Following the appointment, the new Chairman of the Board of Statutory Auditors confirmed the statements made when filing the lists for the appointment of the Board of Statutory Auditors and certified, with a specific declaration, (i) the inexistence of causes of ineligibility, forfeiture and incompatibility, (ii) to possess all the requirements of integrity, independence and professionalism required by law and by-laws for the office of statutory auditor of OVS as a listed company; (iii) not to hold offices as director and supervisor to an extent equal to or greater than the limits established by current legislation; and (iv) to undertake to promptly notify the Company and, for it, the Board of Directors of other members of the Board of Statutory Auditors, any changes to the declaration and any causes of forfeiture.

The Board of Statutory Auditors verified the independence of the new Chairman at the first possible opportunity after his takeover, specifying the evaluation criteria actually applied, including all the criteria set by the Code, and transmitted the results of these checks to the Board of Directors which was held on June 20th, 2018. The outcome of this assessment was announced by a press release issued to the market on the same date.

Also for the Financial Year 2018, 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 17th, 2019.

In compliance with the provisions of the "*Rules of conduct of the board of statutory auditors of listed companies*" issued by the National Council of Chartered Accountants and Accounting Experts and updated in April 2018, the Board of Statutory Auditors has submitted "*a periodic process internal evaluation of the recurrence - and permanence - of the requisites of suitability of the members and of the correctness and effectiveness of their functioning*" referring to the period from June 1, 2018 (date of taking over of the current Chairman of the Board of Statutory Auditors) to 31 January 2019. On this process the Board of Statutory Auditors informed the Board of Directors on April 17, 2019.

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 remuneration of the statutory auditors was set by the Shareholders' Meeting on May 31, 2017 on an annual basis, and is commensurate with the commitment required, the relevance of the role covered and the size and sectoral characteristics of the company.

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.

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 manager) in the person of Nicola Perin.

The Company has a structure in charge of managing relations with shareholders within the Administration, Finance and Control Department.

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.

During the year, the Company began the review of the institutional site, activities that should be completed indicatively within the first half of 2019.

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 2018, one Shareholders' Meeting was held, to which all Directors but one, took part. The Board 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 and conditions provided for by the laws in force.

The Board of Directors held on April 17th, 2019, resolved to call the Ordinary and Extraordinary Shareholders' Meeting, in a single call on May 31, 2019, 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 2018, significant changes in the market capitalization of the Company occurred, mainly due to the termination of the relationship with Sempione Fashion, of the related financial and economic impacts and a business trend in contraction if compared with the previous year.

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 2018 until the approval of the Report by the Board of Directors on April 17th, 2019.

Composition of the Board of Directors (pursuant to art. 123-bis, paragraph 2, letter d) of the TUF)

On March 11th, 2019, non-executive directors Stefano Ferraresi, Stefania Criveller and Marvin Teubner resigned.

As a result, on March 13th, 2019, the Board of Directors of OVS S.p.A. has taken steps to resolve, upon favorable opinion of the Board of Statutory Auditors - pursuant to art. 2386 c.c. and of the art. 13.4 of the Bylaws - the co-optation of three new members, namely Giovanni Tamburi, Alessandra Gritti and

Massimiliano Magrini, all non-executive and the latter also in possession of the requisites of independence provided for by current legislation and the Code Corporate Governance Code; also on the same date, Nicholas Stathopoulos resigned as a member of the Company's Nomination and Remuneration Committee and the Board of Directors appointed Giovanni Tamburi as his deputy in this context. The other components remained unchanged.

The resignation as well as the co-optation are related to the transaction with which Gruppo Coin S.p.A., as seller, sold its stake (equal to 17.835%) in the Company to Tamburi Investment Partners S.p.A., as a buyer, completed on March 11th, 2019.

For further details, please refer to the press releases issued by the Company on March 11th, 2019 and March 13th, 2019 respectively.

The Board on 13 March 2019, also ascertained the requirements of the co-opted directors - in particular with reference to Mr Massimiliano Magrini, it proceeded to ascertain the possession of the requisites of independence provided for by current legislation and by the Corporate Governance Code - and to verify the compatibility of the positions held by them outside the Company in the performance of the duties of directors of OVS S.p.A..

At the Report Date, the Board of Directors is composed of the following members:

First and Last Name	Role
Nicholas Stathopoulos (***)	Chairman of the Board of Directors
Stefano Beraldo (**)	CEO and General Manager
Giovanni Tamburi (***)	Director and Vice Chairman (1)
Alessandra Gritti (***)	Director
Gabriele Del Torchio (*) (***)	Director
Heinz Jürgen Krogner Kornalik (*) (***)	Director
Elena Garavaglia (*) (***)	Director
Massimiliano Magrini (*) (***)	Director
Chiara Mio (*) (***)	Director

(*) Director with the independence requisites pursuant to art. 148, par. 3, of the TUF and art. 3 of the Corporate Governance Code.

(**) Executive Director.

(***) Non-executive Director

(1) Appointed vice chairman by the Board of Directors on 17 April 2019.

Please refer to **Table 2.2** in the appendix for details on the composition of the Board of Directors and length of service from the first appointment, with reference to the date of approval of this Report (April 17th, 2019).

Share capital structure (pursuant to Article 123-bis, paragraph 1, letter a), TUF)

It should be noted that the Board of Directors of April 17th, 2019 resolved to submit to the approval of the Ordinary and Extraordinary Shareholders' Meeting called on May 31st, 2019 the attribution to the Board of Directors of a proxy, pursuant to Article 2443 of the Civil Code, for a period of 5 years from the date of the shareholders' meeting resolution, of the faculty to increase the share capital against payment, in divisible form, with the exclusion of the option right pursuant to Article 2441, paragraph 8, of the Civil Code, for a total amount of maximum nominal value Euro 5.000.000, through the issue of maximum n. 5.000.000 newly issued ordinary shares, with no par value, with the same characteristics as those in circulation at the issue date, with regular entitlement, to be reserved for the beneficiaries of a plan called the Stock Option Plan 2019-2022.

Significant equity investments (pursuant to Article 123-bis, paragraph 1, letter c), TUF)

<u>Significant equity investments at 17.04.2019 – Date of approval of the present Report</u>			
Declarant	Direct shareholder	Total % quote on the ordinary capital	Total % quote on the voting capital
Tamburi Investment Partners S.p.A.	Tamburi Investment Partners S.p.A.	22,747	22,747
AZ Fund Management S.A.	AZ FUND MANAGEMENT SA	9.078	9.078
	AZ FUND MANAGEMENT SA (<i>other long position with regulation in cash</i>)		0.784
COBAS ASSET MANAGEMENT SGIIC, SA	COBAS ASSET MANAGEMENT SGIIC, SA	5,062	5,062

Shareholder agreements (pursuant to article 123-bis, paragraph 1, letter g), TUF)

The Shareholders' Agreement ceased to have effect against OVS on March 11th, 2019.

18. CONSIDERATIONS ON THE LETTER OF DECEMBER 21st, 2018 OF THE PRESIDENT OF THE COMMITTEE FOR CORPORATE GOVERNANCE

The letter of the Chairman of the Corporate Governance Committee dated December 21, 2018, was sent, as requested, to the Chairman of the Board of Directors, to the Chief Executive Officer and Chairman of the Board of Statutory Auditors, on December 21, 2018.

The recommendations made in the letter of December 21, 2018 of the Chairman of the Corporate Governance Committee were brought to the attention of the independent Directors, during the meeting of the same on January 17, 2019, of the Nomination and Remuneration Committee, during the meeting of January 25, 2019 and the Board of Directors on January 31, 2019.

During these meetings the recommendations were analyzed, both the practice followed by OVS with respect to the recommendations contained and any actions to be taken were highlighted. In particular, the Nomination and Remuneration Committee and the Board of Directors have taken note of the aforementioned recommendations for the areas of their competence: with reference to recommendation no. 1 please refer to what is indicated in chapter 4.3; with reference to recommendation n. 2 please refer to chapter 4.6, with reference to recommendation n. 3 please refer to the contents of chapter 4.3 and with reference to recommendation n. 4 please refer to what is stated in the Remuneration Report.

* * *

Venezia - Mestre, April 17, 2019

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 2019				
	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 2019				
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	
AZ Fund Management S.A.	AZ FUND MANAGEMENT SA	9.24	9.24	
	AZ FUND MANAGEMENT SA <i>(other long position with regulation in cash)</i>		0.78	
Tamburi Investment Partners S.p.A.	Tamburi Investment Partners S.p.A.	3.084	3.084	

Significant equity investments at 17.04.2019 – Date of approval of the present Report				
Declarant	Direct shareholder	Total % quote on the ordinary capital	Total % quote on the voting capital	
Tamburi Investment Partners S.p.A.	Tamburi Investment Partners S.p.A.	22.747	22.747	
AZ Fund Management S.A.	AZ FUND MANAGEMENT SA	9.078	9.078	
	AZ FUND MANAGEMENT SA <i>(other long position with regulation in cash)</i>		0.789	
COBAS ASSET MANAGEMENT SGIIC, SA	COBAS ASSET MANAGEMENT SGIIC, SA	5.062	5.062	

TABLE 2: STRUCTURE OF THE BOARD OF DIRECTORS AND OF THE COMMITTEES

TABLE 2.1

The following table shows the information relating to the structure of the current Board of Directors and the Committees
At the end of the financial year 31 January 2019.

Board of Directors													Control and Risks Committee		Nomination and Remuneration Committee		Transactions with Related Parties Committee	
Role	Component	Year of birth	Date of first appointment*	In office since	In office until	List **	Exec.	Non-exec.	Indep. Code	Indep. TUF	N. other roles ***	% (*)	(*)	(**)	(*)	(**)	(*)	(**)
Chairman	Nicholas Stathopoulos [*]	1969	23.07.2014	31.05.2017	Next Shareholders' Meeting 31.05.2019	M		X			V. cv	14/14			6/6	M		
Chief Executive Officer	Stefano Beraldo	1957	14.05.2014	31.05.2017	SM appr. Fin. year. 31.01.2020	M	X				V. cv	14/14						
Director	Stefano Ferraresi [*]	1972	23.07.2014	31.05.2017	11.03.2019	M		X			V. cv	13/14						
Director	Heinz Jürgen Krogner Kornalik	1941	23.07.2014	31.05.2017	SM appr. Fin. year 31.01.2020	M		X	X	X	V. cv	12/14			6/6	M	6/7	M
Director	Gabriele Del Torchio	1951	27.10.2014	31.05.2017	SM appr. Fin. year 31.01.2020	M		X	X	X	V. cv	14/14	6/6	M	6/6	P	7/7	P
Director	Marvin Teubner [*]	1978	14.04.2016	31.05.2017	11.03.2019	M		X			V. cv	12/14						
Director	Stefania Criveller [*]	1966	31.05.2017	31.05.2017	11.03.2019	M		X			V. cv	14/14						
Director	Chiara Mio	1964	31.05.2017	31.05.2017	SM appr. Fin. year 31.01.2020	M		X	X	X	V. cv	14/14	6/6	P			7/7	M
Director	Elena Garavaglia	1979	20.06.2018	20.06.2018	Next Shareholders' Meeting 31.05.2019	m		X	X	X	V. cv	8/8	4/4	M	2/2	M	6/6	M
CEASED DIRECTORS FOLLOWING THE APPOINTMENT: 1																		
	Vincenzo Cariello	1965	31.05.2017	31.05.2017	01.06.2018	m		X	X	X		1/6	1/2	M	1/3	M	1/1	M
N. meetings held during 2018: 14						Control, Risks and Sustainability Committee: 6				Nomination and Remuneration Committee: 6		Transactions with Related Parties Committee: 7						
Indicate the quorum required for the presentation of lists by minorities for the election of one or more members (ex art. 147-ter TUF): 1% of the share capital																		

[*] On 11 March 2019, as per the press release issued by the Company on the same date, non-executive directors Stefano Ferraresi, Stefania Criveller and Marvin Teubner resigned. As a result, on March 13, 2019, the Board of Directors of OVS S.p.A. has taken steps to resolve - pursuant to art. 2386 c.c. and of the art. 13.4 of the Bylaws - the co-optation of three new members, namely Giovanni Tamburi, Alessandra Gritti and Massimiliano Magrini, all non-executive and the latter also in possession of the requisites of independence provided for by current legislation and the Code Corporate Governance Code; as per the press release issued by the Company on 13 March 2019. again on the same date, Nicholas Stathopoulos resigned as a member of the Nomination and Remuneration Committee of the Company and the Board of Directors appointed, as his replacement in the context, Giovanni Tamburi. The other components remain unchanged.

The resignation as well as the co-optation are related to the transaction with which Gruppo Coin S.p.A., as seller, sold its stake (equal to 17.835%) in the Company to Tamburi Investment Partners S.p.A., as a buyer, completed on 11 March 2019.

For further details, please refer to the press releases issued by the Company on 11 March 2019 and 13 March 2019 respectively.

NOTES

The symbols indicated below must be entered in the "Upload" column:

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

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

* The date of first appointment of each director means the date on which the director was appointed for the first time (ever) in the issuer's Board of Directors.

** This column indicates the list from which each director was taken ("M": majority list; "m": minority list; "Board": list presented by the Board of Directors).

*** This column indicates the number of offices as director or statutory auditor held by the interested party in other companies listed on regulated markets, including foreign markets, in financial, banking, insurance companies or companies of a significant size (NB for completeness, in the column " Other Assignments " have also been indicated the positions held by each Director within commercial companies regardless of their respective sizes). In the Corporate Governance Report the offices are indicated in full.

(*). This column indicates the participation of the directors in the meetings of the BoD and of the committees respectively (indicate the number of meetings attended with respect to the total number of meetings that could have been attended; e.g. 6/8; 8/8 etc.).

(**). This column indicates the qualification of the director within the Committee: "P": president; "M": member.

TABLE 2.2

The following table shows the information relating to the structure of the current Board of Directors and the Committees
At 17 April 2019, the date of approval of this Report, 17 April 2019.

Board of Directors													Control and Risks Committee		Nomination and Remuneration Committee		Transactions with Related Parties Committee	
Role	Component	Year of birth	Date of first appointment*	In office since	In office until	List **	Exec.	Non-exec.	Indep. Code	Indep. TUF	N. other roles ***	% (*)	(*)	(**)	(*)	(**)	(*)	(**)
Chairman	Nicholas Stathopoulos [*]	1969	23.07.2014	31.05.2017	Next SM 31.05.2019	M		X			V. cv	14/14						
Chief Executive Officer ♦	Stefano Beraldo	1957	14.05.2014	31.05.2017	SM appr. Fin. year 31.01.2020	M	X				V. cv	14/14						
Director Vice Chairman	Giovanni Tamburi [*]	1954	13.03.2019	13.03.2019	Next SM 31.05.2019	NA		X			V. cv	NA			NA	M		
Director	Alessandra Gritti [*]	1961	13.03.2019	13.03.2019	Next SM 31.05.2019	NA		X			V. cv	NA						
Director	Gabriele Del Torchio	1951	27.10.2014	31.05.2017	SM appr. Fin. year 31.01.2020	M		X	X	X	V. cv	14/14	6/6	M	6/6	P	7/7	P
Director	Elena Garavaglia	1979	20.06.2018	20.06.2018	Next SM 31.05.2019	m		X	X	X	V. cv	8/8	4/4	M	2/2	M	6/6	M
Director	Heinz Jürgen Krogner Kornalik	1941	23.07.2014	31.05.2017	SM appr. Fin. year 31.01.2020	M		X	X	X	V. cv	12/14			6/6	M	6/7	M
Director	Massimiliano Magrini [*]	1968	13.03.2019	13.03.2019	Next SM 31.05.2019	NA		X	X	X	V. cv	14/14						
Director	Chiara Mio	1964	31.05.2017	31.05.2017	SM appr. Fin. year 31.01.2020	M		X	X	X	V. cv	14/14	6/6	P			7/7	M
CEASED DIRECTORS FOLLOWING THE CLOSING OF THE FINANCIAL YEAR AT 31 JANUARY 2019: 3																		
	Stefania Criveller [*]	1966	31.05.2017	31.05.2017	11.03.2019	M		X			V. cv	14/14						
	Stefano Ferraresi [*]	1972	23.07.2014	31.05.2017	11.03.2019	M		X			V. cv	13/14						
	Marvin Teubner [*]	1978	14.04.2016	31.05.2017	11.03.2019	M		X			V. cv	12/14						

[*]On 11 March 2019, as per the press release issued by the Company on the same date, non-executive directors Stefano Ferraresi, Stefania Criveller and Marvin Teubner resigned. As a result, on March 13, 2019, the Board of Directors of OVS S.p.A. has taken steps to resolve - pursuant to art. 2386 c.c. and of the art. 13.4 of the Articles of Association - the co-optation of three new members, namely Giovanni Tamburi, Alessandra Gritti and Massimiliano Magrini, all non-executive and the latter also in possession of the requisites of independence provided for by current legislation and the Code Corporate Governance Code; as per the press release issued by the Company on 13 March 2019. again on the same date, Nicholas Stathopoulos resigned as a member of the Nomination and Remuneration Committee of the Company and the Board of Directors appointed, as his replacement in the context, Giovanni Tamburi. The other components remain unchanged. The resignation as well as the co-optation are related to the transaction with which Gruppo Coin S.p.A., as seller, sold its stake (equal to 17.835%) in the Company to Tamburi Investment Partners S.p.A., as a buyer, completed on 11 March 2019. For further details, please refer to the press releases issued by the Company on 11 March 2019 and 3 March 2019 respectively.

NOTES

The symbols indicated below must be entered in the "Upload" column:

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

◇ This symbol indicates the principal person responsible for the management of the issuer (Chief Executive Officer or CEO).

* The date of first appointment of each director means the date on which the director was appointed for the first time (ever) in the issuer's Board of Directors.

** This column indicates the list from which each director was taken ("M": majority list; "m": minority list; "Board": list presented by the Board of Directors).

*** This column indicates the number of offices as director or statutory auditor held by the interested party in other companies listed on regulated markets, including foreign markets, in financial, banking, insurance companies or companies of a significant size (NB for completeness, in the column "Other Assignments" have also been indicated the positions held by each Director within commercial companies regardless of their respective sizes). In the Corporate Governance Report the offices are indicated in full.

(*) This column indicates the participation of the directors in the meetings of the BoD and of the committees respectively (indicate the number of meetings attended compared to the total number of meetings that could have been attended; eg 6/8; 8/8 etc.).

(**) This column indicates the qualification of the director within the Committee: "P": chairman; "M": member.

TABLE 3: STRUCTURE OF THE BOARD OF STATUTORY AUDITORS

The following table shows the information relating to the structure of the Board of Statutory Auditors as of 31 January 2019

Board of Statutory Auditors									
Role	Component	Year of birth	Date of first appointment *	In office since	In office until	List **	Indep. Code	Participations to the Board's meetings ***	N. other roles ****
Chairman	Stefano Poggi Longostrevi	1965	01.06.2018 <i>(as Standing Auditor)</i>	01.06.2018	Next SM 31.05.2019	m	X	12/12	V. annex
Standing Auditor	Roberto Cortellazzo Wiel	1958	23.07.2014	31.05.2017	SM appr. Fin. year 31.01.2020	M	X	24/24	V. annex
Standing Auditor	Eleonora Guerriero	1978	31.05.2017	31.05.2017	SM appr. Fin. year. 31.01.2020	M	X	24/24	V. annex
Alternate Auditor	Antonella Missaglia	1962	31.05.2017	31.05.2017	SM appr. Fin. year 31.01.2020	M	X	n/a	V. annex
Alternate Auditor	Stefano Poggi Longostrevi	1965	31.05.2017	31.05.2017	01.06.2018 <i>(date since which he's been acting as Chairman of the Board of Statutory Auditors)</i>	m	X	n/a	V. annex
CEASED DIRECTORS FOLLOWING THE APPOINTMENT: 1									
Presidente	Paola Camagni	1970	31.05.2017	31.05.2017	01.06.2018	m	X	12/12	
Number of meetings held during 2018: 24									
Indicate the quorum required for the presentation of lists by minorities for the election of one or more members (ex art. 148 TUF): 1% of the share capital									

NOTE

* The date of first appointment of each statutory auditor means the date on which the statutory auditor was appointed for the first time (ever) in the issuer's Board of Statutory Auditors.

** This column indicates the list from which each auditor was taken ("M": majority list; "m": minority list).

*** This column indicates the participation of the auditors in the meetings of the Board of Statutory Auditors (indicate the number of meetings attended with respect to the total number of meetings that could have been attended; e.g. 6/8; 8/8 etc.).

**** This column indicates the number of positions as director or statutory auditor held by the interested party pursuant to art. 148-bis TUF and the related implementation provisions contained in the Consob Issuers Regulation. The complete list of offices is published by Consob on its website pursuant to art. 144-quinquiesdecies of the Consob Issuers Regulation.

TABLE 4 – COMPARISON CHART

	<i>Comply or explain Reference to Corporate Governance Relation</i>
Article 1 - Role of the Board of Directors	
Principles	
1.P.1. Listed companies are governed by a Board of Directors that meets at regular intervals, adopts an organisation and a modus operandi which enable it to perform its functions in an effective manner.	√ See Chapter 4.3
1.P.2. The directors act and make decisions with full knowledge of the facts and autonomously pursuing and placing priority on the objective of creating value for the shareholders over a medium-long term period.	√ See Chapter 4.3
Criteria	
1.C.1. The Board of Directors shall:	
a) examine and approve the strategic, operational and financial plans of both the issuer and the corporate group it heads, monitoring periodically the related implementation; it defines the issuer's corporate governance and the relevant group structure;	√ See Chapter 10
b) define the risk profile, both as to nature and level of risks, in a manner consistent with the issuer's strategic objectives, taking into account any risk that may affect the sustainability of the issuer's business in a medium-long term perspective;	√ See Chapter 10
c) evaluate the adequacy of the organizational, administrative and accounting structure of the issuer as well as of its strategically significant subsidiaries in particular with regard to the internal control system and risk management;	√ See Chapter 10
d) specify the frequency, in any case no less than once every three months, with which the delegated bodies must report to the Board on the activities performed in the exercise of the powers delegated to them;	√ See Chapter 4.4.4
e) evaluate the general performance of the company, paying particular attention to the information received from the delegated bodies and periodically comparing the results achieved with those planned;	√ See Chapter 4.4.4
f) resolve upon transactions to be carried out by the issuer or its <u>controlled companies</u> having a significant impact on the issuer's strategies, profitability, assets and liabilities or financial position; to this end, the Board shall establish general criteria for identifying the material transactions;	√ See Chapter 4.3
g) <u>perform at least annually an evaluation of the performance</u> of the Board of Directors and its committees, as well as their size and composition, taking into account the professional competence, experience, including managerial one, gender and tenure of its members, considering also diversity <i>criteria</i> applied according to art. 2. Where the Board of Directors avails of consultants for such a self-assessment, the Corporate Governance Report shall provide information on their identity and other services, if any, performed by such consultants to the issuer or to companies having a control relationship with the issuer ;	√ See Chapter 4.3
h) taking into account the outcome of the evaluation mentioned under the previous item g), report its view to shareholders on the managerial and professional profiles, deemed appropriate for the composition of the Board of Directors, prior to its nomination, considering also diversity <i>criteria</i> applied according to art. 2.;	√ See Chapter 4.3 <i>During the 2018 Financial Year no new Board of Directors was appointed</i>

<p>i) provide information in the Corporate Governance Report on (1) its composition, indicating for each member the qualification (executive, non- executive, independent), the relevant role held within the Board of Directors (including by way of example, chairman or chief executive officer, as defined by article 2), the main professional characteristics as well as the duration of his/her office since the first appointment; (2) the application of article 1 of this Code and, in particular, on the number and average duration of meetings of the Board and of the executive committee, if any, held during the fiscal year, as well as the related percentage of attendance of each director; (3) how the self-assessment procedure as at previous item g) has developed; (4) goals, tools and results of diversity criteria applied according to art. 2 and 8</p>	<p style="text-align: center;">√ See Chapter 4.2, Table no. 2 and Annexes</p>
<p>j) in order to ensure the correct handling of corporate information, adopt, upon proposal of the managing director or the chairman of the Board of Directors, internal procedures for the internal handling and disclosure to third parties of information concerning the issuer, having special regard to price sensitive information.</p>	<p style="text-align: center;">√ See Chapter 5</p>
<p>1.C.2. The directors shall accept the directorship when they deem that they can devote the necessary time to the diligent performance of their duties, also taking into account the commitment relating to their own work and professional activity, the number of offices held as director or statutory auditor in other companies listed on regulated markets (including foreign markets) in financial companies, banks, insurance companies or companies of a considerably large size. The Board shall record, on the basis of the information received from the directors, on a yearly basis, the offices of director or statutory auditor held by the directors in the above-mentioned companies and include them in the Corporate Governance Report.</p>	<p style="text-align: center;">√ See Chapter 4.2 and Annexes</p>
<p>1.C.3. The Board shall issue guidelines regarding the maximum number of offices as director or statutory auditor for the types of companies referred to in the above paragraph that may be considered compatible with an effective performance of a director's duties, taking into account the attendance by the directors to the committees set up within the Board. To this end, the Board identifies the general criteria, differentiating them according to the commitment entailed by each role (executive, non-executive or independent director), as well as the nature and size of the companies in which the offices are performed, plus whether or not the companies are members of the issuer's group.</p>	<p style="text-align: center;">√ See Chapter 4.2</p>
<p>1.C.4. If the shareholders' meeting, when dealing with organisational needs, authorises, on a general, preventive basis, derogations from the rule prohibiting competition, as per Article 2390 of the Italian Civil Code, then the Board of Directors shall evaluate each such issue, reporting, at the next shareholders' meeting, the critical ones if any. To this end, each director shall inform the Board, upon accepting his/her appointment, of any activities exercised in competition with the issuer and of any effective modifications that ensue.</p>	<p style="text-align: center;">√ See Chapter 4.3</p>
<p>1.C.5. The chairman of the Board of Directors shall ensure that the documentation relating to the agenda of the Board is made available to directors and statutory auditors in a timely manner prior to the Board meeting. The Board of Directors shall provide information in the Corporate Governance Report on the promptness and completeness of the pre-meeting information, providing details, <i>inter alia</i>, on the prior notice usually deemed adequate for the supply of documents and specifying whether such prior notice has been usually observed.</p>	<p style="text-align: center;">√ See Chapter 4.3</p>

<p>1.C.6. The chairman of the Board of Directors, also upon request of one or more directors, may request to the managing directors that certain executives of the issuer or the companies belonging to its group, in charge of the pertinent management areas related to the Board agenda, attend the meetings of the Board, in order to provide appropriate supplemental information on the items on the agenda. The Corporate Governance Report provides information on the effective attendance of the Board meetings.</p>	<p style="text-align: center;">√ See Chapter 4.3</p>
<p>Article 2 – Composition of the Board of Directors</p>	
<p>Principles</p>	
<p>2.P.1. The Board of Directors shall be made up of executive and non-executive directors, who should be adequately competent and professional.</p>	<p style="text-align: center;">√ See Chapter 4.2 Table no. 2</p>
<p>2.P.2. Non-executive directors shall bring their specific expertise to Board discussions and contribute to the adoption of fully informed decisions paying particular care to the areas where conflicts of interest may exist.</p>	<p style="text-align: center;">√</p>
<p>2.P.3. The number, competence, authority and time availability of non-executive directors shall be such as to ensure that their judgement may have a significant impact on the taking of Board’s decisions.</p>	<p style="text-align: center;">√ See Chapter 4.2</p>
<p>2.P.4. The issuer applies diversity <i>criteria</i>, including those related to gender, for the composition of the Board of Directors, taking into due consideration the primary goal of ensuring adequate competence and professional skills of its members.</p>	<p style="text-align: center;">√ See Chapter 4.2</p>
<p>2.P.5. It is appropriate to avoid the concentration of corporate offices in one single individual.</p>	<p style="text-align: center;">√ See Chapter 4.2</p>
<p>2.P.6. Where the Board of Directors has delegated management powers to the chairman, it shall disclose adequate information in the Corporate Governance Report on the reasons for such organisational choice.</p>	<p>No management responsibilities have been conferred on the Chairman of the Board of Directors</p>
<p>Criteria</p>	
<p>2.C.1. The following are qualified executive directors for the issuer:</p> <ul style="list-style-type: none"> – the managing directors of the issuer or a subsidiary having strategic relevance, including the relevant chairmen when these are granted individual management powers or when they play a specific role in the definition of the business strategies; – the directors vested with management duties within the issuer or in one of its subsidiaries having strategic relevance, or in a controlling company when the office concerns also the issuer; – the directors who are members of the executive committee of the issuer, when no managing director is appointed or when the participation in the executive committee, taking into account the frequency of the meetings and the scope of the relevant resolutions, entails, as a matter of fact, the systematic involvement of its members in the day-to-day management of the issuer. <p>The granting of deputy powers or powers in cases of urgency to directors, who are not provided with management powers is not enough, <i>per se</i>, to cause them to be identified as executive directors, provided however, that such powers are not actually exercised with considerable frequency.</p>	<p style="text-align: center;">√ See Chapter 4.6</p>
<p>2.C.2. The directors shall know the duties and responsibilities relating to their office..</p> <p>The chairman of the Board of Directors shall use his best efforts to allow the directors and the statutory auditors, after the election and during their mandate, to participate, in the ways deemed appropriate, in initiatives aimed at providing them with an adequate knowledge of the business sector where the issuer operates, of the corporate dynamics and the relevant evolutions, of the principles of proper risk-management as well as the relevant regulatory and self-regulatory framework.</p> <p>The issuer shall describe in the Corporate Governance Report the type and organizational manners of the activities that took place during the fiscal year of reference.</p>	<p style="text-align: center;">√ See Chapter 4.2</p>

<p>2.C.3. The Board of Directors shall have at least one third of directors of the less-represented gender.</p>	<p style="text-align: center;">√ See Chapter 4.2 Table no. 2</p>
<p>2.C.4. The Board shall designate an independent director as lead independent director, in the following circumstances: (i) in the event that the chairman of the Board of Directors is the chief executive officer of the company; (ii) in the event that the office of chairman is held by the person controlling the issuer. The Board of Directors of issuers belonging to FTSE-Mib index shall designate a lead independent director whether requested by the majority of independent directors, except in the case of a different and grounded assessment carried out by the Board to be reported in the Corporate Governance Report.</p>	<p style="text-align: center;">Since the conditions were not met, the Board did not identify a Lead Independent Director among its members</p>
<p>2.C.5 The lead independent director:</p> <p>a) represents a reference and coordination point for the requests and contributions of non-executive directors and, in particular, those who are independent pursuant to Article 3 below;</p>	
<p>b) cooperates with the Chairman of the Board of Directors in order to guarantee that directors receive timely and complete information.</p>	
<p>2.C.6. The chief executive officer of issuer (A) shall not be appointed director of another issuer (B) not belonging to the same corporate group, in the event that the chief executive officer of issuer (B) is a director of issuer (A).</p>	<p style="text-align: center;">In the current composition of the Board there is no hypothesis of cross directorship</p>
<p>Art. 3 – Independent directors</p>	
<p>Principles</p>	
<p>3.P.1. An adequate number of non-executive directors shall be independent, in the sense that they do not maintain, directly or indirectly or on behalf of third parties, nor have recently maintained any business relationships with the issuer or persons linked to the issuer, of such a significance as to influence their autonomous judgement.</p>	<p style="text-align: center;">√ See Chapter 4.6 Table no. 2</p>
<p>3.P.2. The directors' independence shall be assessed by the Board of Directors after the appointment and, subsequently, on a yearly basis. The results of the assessments of the Board shall be communicated to the market.</p>	<p style="text-align: center;">√ See Chapter 4.6</p>
<p>Criteria</p>	
<p>3.C.1. The Board of Directors shall evaluate the independence of its non-executive members having regard more to the substance than to the form and keeping in mind that a director usually does not appear independent in the following events, to be considered merely as an example and not limited to:</p>	<p style="text-align: center;">√ See Chapter 4.6 While performing the evaluations, the BoD applied all the criteria envisaged in the Code</p>
<p>a) if he/she controls, directly or indirectly, the issuer also through subsidiaries, trustees or third parties, or is able to exercise a dominant influence over the issuer, or participates in a shareholders' agreement through which one or more persons can exercise a control or dominant influence over the issuer;</p>	
<p>b) if he/she is, or has been in the preceding three fiscal years, a significant representative of the issuer, of a subsidiary having strategic relevance or of a company under common control with the issuer, or of a company or entity controlling the issuer or able to exercise over the same a considerable influence, also jointly with others through a shareholders' agreement</p>	

<p>c) if he/she has, or had in the preceding fiscal year, directly or indirectly (e.g. through subsidiaries or companies of which he is a significant representative, or in the capacity as partner of a professional firm or of a consulting company) a significant commercial, financial or professional relationship:</p> <ul style="list-style-type: none"> - with the issuer, one of its subsidiaries, or any of its significant representatives; - with a subject who, also jointly with others through a shareholders' agreement, controls the issuer, or – in case of a company or an entity – with the relevant significant representatives; <p>or is, or has been in the preceding three fiscal years, an employee of the above-mentioned subjects;</p>	
<p>d) if he/she receives, or has received in the preceding three fiscal years, from the issuer or a subsidiary or holding company of the issuer, a significant additional remuneration (compared to the “fixed” remuneration of non- executive director of the issuer and to remuneration of the membership in the committees that are recommended by the Code) also in the form of participation in incentive plans linked to the company’s performance, including stock option plans;</p>	
<p>e) if he/she was a director of the issuer for more than nine years in the last twelve years;</p>	
<p>f) if he/she is vested with the executive director office in another company in which an executive director of the issuer holds the office of director;</p>	
<p>g) if he/she is shareholder or quotaholder or director of a legal entity belonging to the same network as the company appointed for the auditing of the issuer;</p>	
<p>h) if he/she is a close relative of a person who is in any of the positions listed in the above paragraphs.</p>	
<p>3.C.2. For the purpose of the above, the chairman of the entity, the chairman of the Board of Directors, the executive directors and key management personnel of the relevant company or entity, must be considered as “significant representatives”.</p>	<p>√ See Chapter 4.6</p>
<p>3.C.3. The number and competences of independent directors shall be adequate in relation to the size of the Board and the activity performed by the issuer; moreover, they must be such as to enable the constitution of committees within the Board, according to the indications set out in the Code.</p> <p>As for issuers belonging to FTSE-Mib index, at least one third of the Board of Directors members shall be made up of independent directors. If such a number is not an integer, it shall be rounded down. Anyway, independent directors shall not be less than two.</p>	<p>√ See Chapter 4.6</p>
<p>3.C.4. After the appointment of a director who qualifies himself/herself as independent, and subsequently, upon the occurrence of circumstances affecting the independence requirement and in any case at least once a year, the Board of Directors shall evaluate, on the basis of the information provided by the same director or available to the issuer, those relations which could be or appear to be such as to jeopardize the autonomy of judgement of such director.</p> <p>The Board of Directors shall notify the result of its evaluations, after the appointment, through a press release to the market and, subsequently, within the Corporate Governance Report.</p> <p>In the documents mentioned above, the Board of Directors shall:</p> <ul style="list-style-type: none"> - disclose whether they adopted criteria for assessing the independence which are different from the ones recommended by the Code, also with reference to individual directors, and if so, specifying the reasons - describe quantitative and/or qualitative criteria used, if any, in assessing the relevance of relationships under evaluation 	<p>√ See Chapter 4.6</p>

3.C.5. The Board of statutory auditors shall ascertain, in the framework of the duties attributed to it by the law, the correct application of the assessment criteria and procedures adopted by the Board of Directors for evaluating the independence of its members. The result of such controls is notified to the market in the Corporate Governance Report or in the report of the Board of statutory auditors to the shareholders' meeting	√ See Chapter 4.6
3.C.6. The independent directors shall meet at least once a year without the presence of the other directors.	√ See Chapter 4.6
Article 4 – Internal committees of the Board of Directors	
Principles	
4.P.1. The Board of Directors shall establish among its members one or more committees with proposing and consultative functions according to what set out in the articles below.	√ See Chapter 6
Criteria	
4.C.1. The establishment and functioning of the committees governed by the Code shall meet the following criteria:	
a) committees shall be made up of at least three members. However, in those issuers whose Board of Directors is made up of no more than eight members, committees may be made up of two directors only, provided, however, that they are both independent. The committees' activities shall be coordinated by a chairman;	√ See Chapter 6
b) the duties of individual committees are provided by the resolution by which they are established and may be supplemented or amended by a subsequent resolution of the Board of Directors;	√ See Chapter 4.6
c) the functions that the Code attributes to different committees may be distributed in a different manner or demanded from a number of committees lower than the envisaged one, provided that for their composition the rules are complied with those indicated from time to time by the Code and is ensured the achievement of the underlying objectives;	√ See Chapter 4.6
d) minutes shall be drafted of the meetings of each committee and the Chairman of the committee shall inform the Board of Directors thereof during the first available meeting;	√ See Chapter 7.1 and Chapter 9.1
e) in the performance of their duties, the committees have the right to access the necessary company's information and functions, according to the procedures established by the Board of Directors, as well as to avail themselves of external advisers. The issuer shall make available to the committees adequate financial resources for the performance of their duties, within the limits of the budget approved by the Board;	√ See Chapter 7.2 and Chapter 9.2
f) persons who are not members of the committee, including other Board members or persons belonging to issuer's structure, may participate in the meetings of each committee upon invitation of the same, with reference to individual items on the agenda;	√ See Chapter 7.1 and Chapter 9.1
g) the issuer shall provide adequate information, in the Corporate Governance Report, on the establishment and composition of committees, the contents of the mandate entrusted to them, as well as, on the basis of the indications provided for by each committee, the activity actually performed during the fiscal year, the number of meetings held, their average duration and the relevant percentage of participation of each member	√ See Chapter 7.2 and Chapter 9.2

<p>4.C.2. The establishment of one or more committees may be avoided and the relevant duties may be assigned to the Board of Directors, under the coordination of the Chairman and provided that: (i) independent directors are at least half of the Board of Directors members; if the number of the Board members is odd, a rounding down to the lower unit shall be carried out; (ii) adequate time is dedicated during the Board meetings to actions that the Code requires the Committees to carry out, and this circumstance is disclosed in the Corporate Governance Report; (iii) as far as the control and risk committee is concerned, the issuer is neither controlled by another listed company nor it is subject to direction and coordination. The Board of Directors describes in detail in the Corporate Governance Report the reasons underlying the choice not to establish one or more committees; in particular, it provides adequate grounds for the choice not to establish the risks and control committee in consideration of the complexity level of the issuer and the sector in which it operates. In addition, the Board shall periodically reassess the choice made.</p>	<p style="text-align: center;">√ See Chapter 6 The Company has set up the Nomination and Remuneration Committee and the Control and Risks Committee (which became the Control, Risks and Sustainability Committee on September 20, 2017)</p>
<p>Article 5 – Appointment of directors</p>	
<p>Principles</p>	
<p>5.P.1. The Board of Directors shall establish among its members a committee to propose candidates for appointment to the position of director, made up, for the majority, of independent directors.</p>	<p style="text-align: center;">√ See Chapter 7.1</p>
<p>Criteria</p>	
<p>5.C.1. The committee to propose candidates for appointment to the position of director shall be vested with the following functions:</p>	<p style="text-align: center;">√</p>
<p>a) to express opinions to the Board of Directors regarding its size and composition and express recommendations with regard to the professional skills necessary within the Board as well with regard to the topics indicated by articles 1.C.3. and 1.C.4.;</p>	<p style="text-align: center;">√ See Chapter 7.2</p>
<p>b) to submit the Board of Directors candidates for directors offices in case of co-optation, should the replacement of independent directors be necessary.</p>	<p style="text-align: center;">√ See Chapter 7.2</p>
<p>5.C.2. The Board of Directors shall evaluate whether to adopt a plan for the succession of executive directors. In the event of adoption of such a plan, the issuer shall disclose it in the Corporate Governance Report. The review on the preparation of the above mentioned plan shall be carried out by the nomination committee or by another committee established within the Board of Directors in charge of this task.</p>	<p style="text-align: center;">√ See Chapter 4.1</p>
<p>Article 6 – Remuneration of directors</p>	
<p>Principles</p>	
<p>6.P.1. The remuneration of directors and key management personnel shall be established in a sufficient amount to attract, retain and motivate people with the professional skills necessary to successfully manage the issuer.</p>	<p style="text-align: center;">√ See Report on Remuneration</p>
<p>6.P.2. The remuneration of executive directors and key management personnel shall be defined in such a way as to align their interests with pursuing the priority objective of the creation of value for the shareholders in a medium-long term timeframe. With regard to directors with managerial powers or performing, also de-facto, functions related to business management, as well as with regard to key management personnel, a significant part of the remuneration shall be linked to achieving specific performance objectives, possibly including non-economic objectives, identified in advance and determined consistently with the guidelines contained in the policy described in principle 6.P.4. The remuneration of non-executive directors shall be proportionate to the commitment required from each of them, also taking into account their possible participation in one or more committees.</p>	<p style="text-align: center;">√ See Report on Remuneration</p>

<p>6.P.3. The Board of Directors shall establish among its members a remuneration committee, made up of independent directors. Alternatively, the committee may be made up of non executive directors, the majority of which to be independent; in this case, the chairman of the committee is selected among the independent directors. At least one committee member shall have an adequate knowledge and experience in finance or remuneration policies, to be assessed by the Board of Directors at the time of his/her appointment</p>	<p style="text-align: center;">√ See Chapter 7.1 and Chapter 7.2</p>
<p>6.P.4. The Board of Directors shall, upon proposal of the remuneration committee, establish a policy for the remuneration of directors and key management personnel.</p>	<p style="text-align: center;">√ See Report on Remuneration</p>
<p>6.P.5. In case of the end of office and/or the termination of the employment relationship with an executive director or a general manager, the issuer discloses, through a press release, detailed information, following the internal process leading to the assignment or recognition of indemnities and/or other benefits.</p>	<p style="text-align: center;">√ See Report on Remuneration</p>
<p>Criteria</p>	
<p>6.C.1. The policy for the remuneration of executive directors and other directors covering particular offices shall define guidelines on the issues and consistently with the criteria detailed below:</p> <ul style="list-style-type: none"> a) the non-variable component and the variable component are properly balanced according to issuer's strategic objectives and risk management policy, taking into account the business sector in which it operates and the nature of the business carried out; b) upper limits for variable components shall be established; c) the non-variable component shall be sufficient to reward the director when the variable component was not delivered because of the failure to achieve the performance objectives specified by the Board of Directors; 	<p style="text-align: center;">√ See Report on Remuneration</p>
<ul style="list-style-type: none"> d) the performance objectives – i.e. the economic performance and any other specific objectives to which the payment of variable components (including the objectives for the share-based compensation plans) is linked – shall be predetermined, measurable and linked to the creation of value for the shareholders in the medium-long term; e) the payment of a significant portion of the variable component of the remuneration shall be deferred for an appropriate period of time; the amount of that portion and the length of that deferral shall be consistent with the characteristics of the issuer's business and associated risk profile; f) contractual arrangements shall be provided in order to permit the company to reclaim, in whole or in part, the variable components of remuneration that were awarded (or to hold deferred payments), as defined on the basis of data which subsequently proved to be manifestly misstated; g) indemnities eventually set out by the issuer in case of termination of directors shall not exceed a fixed amount or fixed number of years of annual remuneration. Termination payments shall not be paid if the termination is due to inadequate performance. 	
<p>6.C.2. In preparing plans for share-based remuneration, the Board of Directors shall ensure that:</p> <ul style="list-style-type: none"> a) shares, options and all other rights granted to directors to buy shares or to be remunerated on the basis of share price movements shall have an average vesting period of at least three years; b) the vesting referred to in paragraph a) shall be subject to predetermined and measurable performance criteria; c) directors shall retain a certain number of shares granted or purchased through the exercise of the rights referred to in paragraph a), until the end of their mandate. 	<p style="text-align: center;">√ See Report on Remuneration</p>

<p>6.C.3. The criteria 6.C.1 and 6.C.2 shall apply, <i>mutatis mutandis</i>, also to the definition – by the bodies entrusted with that task – of the remuneration of key management personnel. Any incentive plan for the person in charge of internal audit and for the person responsible for the preparation of the corporate financial documents shall be consistent with their role.</p>	<p style="text-align: center;">√ See Report on Remuneration</p>
<p>6.C.4. The remuneration of non-executive directors shall not be – other than for an insignificant portion – linked to the economic results achieved by the issuer. Non-executive directors shall not be beneficiaries of share-based compensation plans, unless it is so decided by the annual shareholders’ meeting, which shall also give the relevant reasons.</p>	<p style="text-align: center;">√ See Report on Remuneration</p>
<p>6.C.5. The remuneration committee shall:</p> <ul style="list-style-type: none"> – periodically evaluate the adequacy, overall consistency and actual application of the policy for the remuneration of directors and key management personnel, also on the basis of the information provided by the managing directors; it shall formulate proposals to the Board of Directors in that regard; – submit proposals or issues opinions to the Board of Directors for the remuneration of executive directors and other directors who cover particular offices as well as for the identification of performance objectives related to the variable component of that remuneration; it shall monitor the implementation of decisions adopted by the Board of Directors and verify, in particular, the actual achievement of performance objectives. 	<p style="text-align: center;">√ See Chapter 7.2</p>
<p>6.C.6. No director shall participate in meetings of the remuneration committee in which proposals are formulated to the Board of Directors relating to his/her remuneration.</p>	<p style="text-align: center;">√ See Chapter 7.1</p>
<p>6.C.7. When using the services of an external consultant in order to obtain information on market standards for remuneration policies, the remuneration committee shall previously verify that the consultant concerned is not in a position which might compromise its independence.</p>	<p style="text-align: center;">√ See Chapter 7.2</p>
<p>6.C.8. According to principle 6.P.5., the press release should provide:</p>	<p>To date, this case has not occurred, yet</p>
<p>a) adequate information on the indemnity and/or other benefits, including their amount, timing of disbursement – distinguishing both between the component immediately paid out and the one subject to deferral mechanisms and between the component received as director from the other one related to an employment relationship, if any – and “claw-back” clauses, if any, in particular with reference to:</p> <ul style="list-style-type: none"> – indemnities for the end of office or termination of the employment relationship, specifying the circumstances of its accrual (for example, expiry, revocation or settlement agreement); – maintenance of rights related to any incentive plans, monetary or financial instruments based; – benefits (monetary and non monetary ones) subsequent to the end of office; – non-competition commitments, describing their main contents; – any other payment assigned for any reason and in any form 	
<p>b) information about the compliance or non-compliance of the indemnity and/or other benefits with the remuneration policy and, in case of even a partial non-compliance with the remuneration policy, information about internal procedures applied according to Consob related party transactions’ regulation;</p>	
<p>c) information about the application, or non-application, of any mechanism that provides restrictions or corrections to the indemnity in case of termination due to the achievement of objectively inadequate results, as well as whether requests have been formulated for the reclaim of remuneration already paid out;</p>	

d) information as whether the replacement of the ceased executive director or general manager is governed by any succession plan adopted by the company and, in any case, information about procedures that have been or will be applied for the replacement of the director or manager.	
Article 7 – Internal control and risk management system	
Principles	
7.P.1. Each issuer shall adopt an internal control and risk management system consisting of policies, procedures and organizational structures aimed at identifying, measuring, managing and monitoring the main risks. Such a system shall be integral to the organizational and corporate governance framework adopted by the issuer and shall take into consideration the reference model and the best practices that are applied both at national and international level.	√ See Chapter 10
7.P.2. An effective internal control and risk management system contributes to the management of the company in a manner consistent with the objectives defined by the Board of Directors, promoting an informed decision-making process. It contributes to ensuring the safeguarding of corporate assets, the efficiency and effectiveness of management procedures, the reliability of the information provided to the corporate bodies and to the market and the compliance with laws and regulations, including the by-laws and internal procedures.	√ See Chapter 10
7.P.3. The internal control and risk management system involves each of the following corporate bodies depending on their related responsibilities:	√
a) the Board of Directors, that shall provide strategic guidance and evaluation on the overall adequacy of the system, identifying within the Board: <ul style="list-style-type: none"> i. one or more directors to be charged with the task of establishing and maintaining an effective internal control and risk management system (hereinafter, the “director in charge of the internal control and risk management system”), and ii. a control and risk committee in line with the requirements set forth by principle 7.P.4., to be charged with the task of supporting, on the basis of an adequate control process, the evaluations and decisions to be made by the Board of Directors in relation to the internal control and risk management system, as well as to the approval of the periodical financial reports; 	√ See Chapter 4.3 See Chapter 10.1 See Chapter 9.2
b) the person in charge of internal audit, entrusted with the task to verify the functioning and adequacy of the internal control and risk management system;	√ See Chapter 10.2
c) the other roles and business functions having specific tasks with regard to internal control and risk management, organised depending on the company’s size, complexity and risk profile;	√ See Chapter 10
d) the Board of statutory auditors, also as “audit committee”, which is responsible for oversight of the internal control and risk management system.	√ See Chapter 10
Each issuer shall provide for coordination methods between the above mentioned bodies in order to enhance the efficiency of the internal control and risk management system and reduce activities overlapping.	√ See Chapter 10
7.P.4. The control and risk committee is made up of independent directors. Alternatively, the committee can be made up of non executive directors, the majority of which being independent ones; in this case, the chairman of the committee is selected among the independent directors. If the issuer is controlled by another listed company or is subject to the direction and coordination activity of another company, the committee shall be made up exclusively of independent directors. At least one member of the committee is required to have an adequate experience in the area of accounting and finance or risk management, to be assessed by the Board of Directors at the time of appointment.	√ See Chapter 9.1
Criteria	
7.C.1. The Board of Directors, with the opinion of the control and risk committee, shall:	

a)	define the guidelines of the internal control and risk management system, so that the main risks concerning the issuer and its subsidiaries are correctly identified and adequately measured, managed and monitored, determining, moreover, the level of compatibility of such risks with the management of the company in a manner consistent with its strategic objectives;	√ See Chapter 9.2
b)	evaluate, at least on an annual basis, the adequacy of the internal control and risk management system taking into account the characteristics of the company and its risk profile, as well as its effectiveness;	√ See Chapter 9.2
c)	approves, at least on an annual basis, the plan drafted by the person in charge of internal audit, after hearing the Board of statutory auditors and the director in charge of the internal control system;	√ See Chapter 9.2
d)	describe, in the Corporate Governance Report, the main features of the internal control and risk management system and how the different subjects involved therein are coordinated, expressing the evaluation on its adequacy;	√ See Chapter 9.2
e)	after hearing the Board of statutory auditors, it assesses the findings reported by the external auditor in the suggestions letter, if any, and in the report on the main issues resulting from the auditing.	√ See Chapter 9.2
	The Board of Directors shall, upon proposal of the director in charge of the internal control and risk management system, subject to the favourable opinion of the control and risk committee, as well as after hearing the Board of statutory auditors: <ul style="list-style-type: none"> - appoint and revoke the person in charge of the internal audit function; - ensure that such a person is provided with the adequate resources for the fulfilment of his/her responsibilities; - define the relevant remuneration consistently with company's policies 	√ See Chapter 10.2
	7.C.2. The control and risk committee, when assisting the Board of Directors shall:	
a)	evaluate together with the person responsible for the preparation of the corporate financial documents, after hearing the external auditors and the Board of statutory auditors, the correct application of the accounting principles, as well as their consistency for the purpose of the preparation of the consolidated financial statements, in any;	√ See Chapter 9.2
b)	express opinions on specific aspects relating to the identification of the main risks for the company;	√ See Chapter 9.2
c)	review the periodic reports of the internal audit function concerning the assessment of the internal control and risk management system, as well as the other reports of the internal audit function that are particularly significant;	√ See Chapter 9.2
d)	monitor the independence, adequacy, efficiency and effectiveness of the internal audit function;	√ See Chapter 9.2
e)	request the internal audit function to carry out reviews of specific operational areas, giving simultaneous notice to the chairman of the Board of statutory auditors;	√ See Chapter 9.2
f)	report to the Board of Directors, at least every six months, on the occasion of the approval of the annual and half-year financial report, on the activity carried out, as well as on the adequacy of the internal control and risk management system;	√ See Chapter 9.2
g)	support, with adequate preliminary activities, the Board of Directors assessments and resolutions on the management of risks arising from detrimental facts which the Board may have been become aware of.	√ See Chapter 9.2

7.C.3. The chairman of the Board of statutory auditors or another statutory auditor designated by this chairman shall participate in the works of the control and risk committee; the remaining statutory auditors are also allowed to participate.	√ See Chapter 9.1
7.C.4. The director in charge of the internal control and risk management system, shall:	
a) identify the main business risks, taking into account the characteristics of the activities carried out by the issuer and its subsidiaries, and submit them periodically to the review of the Board of Directors;	√ See Chapter 10.1
b) implement the guidelines defined by the Board of Directors, taking care of the planning, realization and management of the internal control and risk system, constantly monitoring its adequacy and effectiveness;	√ See Chapter 10.1
c) adjust such system to the dynamics of the operating conditions and the legislative and regulatory framework;	√ See Chapter 10.1
d) request to internal audit function to carry out reviews of specific operational areas and on the compliance of business operation with rules and internal procedures, giving simultaneous notice to the chairman of the Board of Directors, the chairman of control and risk committee and the chairman of the Board of statutory auditors;	√ See Chapter 10.1
e) promptly report to the control and risk committee(or to the Board of Directors) issues and problems that resulted from his/her activity or of which he/she became aware in order for the committee (or the Board) to take the appropriate actions.	√ See Chapter 10.1
7.C.5. The person in charge of internal audit shall:	
a) verify, both on a continuous basis and in relation to special needs, in conformity with international professional standards, the adequacy and effective functioning of the internal control and risk management system, through an audit plan, to be approved by the Board of Directors. Such a plan shall be based on a structured analysis and ranking of the main risks;	√ See Chapter 10.2
b) not be responsible for any operational area and be subordinated to the Board of Directors;	√ See Chapter 10.2
c) have direct access to all useful information for the performance of its duties;	√ See Chapter 10.2
d) draft periodic reports containing adequate information on its own activity, and on the company's risk management process, as well as about the compliance with the management plans defined for risk mitigation. Such periodic reports contain an evaluation on the adequacy of the internal control and risk management system;	√ See Chapter 10.2
e) prepare timely reports on particularly significant events;	√ See Chapter 10.2
f) submit the reports indicated under items d) and e) above to the chairman of the Board of statutory auditors, the control and risk committee and the Board of Directors, as well as to the director in charge of the internal control and risk management system;	√ See Chapter 10.2
g) verify, according to the audit plan, the reliability of information systems, including the accounting one.	√ See Chapter 10.2
7.C.6. The internal audit function may be entrusted, as a whole or by business segments, to a person external to the issuer, provided, however, that it is endowed with adequate professionalism, independence and organization. The adoption of such organizational choices, with a satisfactory explanation of the relevant reasons, shall be disclosed to the shareholders and the market in the Corporate Governance Report.	√ See Chapter 10.2
Article 8 – Statutory auditors	
Principles	
8.P.1. The statutory auditors shall act with autonomy and independence also vis-à-vis the shareholders, which elected them.	√

8.P.2. The issuer applies diversity <i>criteria</i> , including gender ones, for the composition of the Board of Statutory Auditors	√ See Chapter 12
8.P.3. The issuer shall adopt suitable measures to ensure an effective performance of the duties typical of the Board of Statutory Auditors.	√ See Chapter 13
Criteria	
8.C.1. The statutory auditors shall be chosen among people who may be qualified as independent also on the basis of the criteria provided by this Code with reference to the directors. The Board of Statutory Auditors shall check the compliance with said criteria after the appointment and subsequently on an annual basis, submitting the result of such verification to the Board of Directors that discloses it, after the appointment, through a press release to the market and, subsequently, in its Corporate Governance Report, according to manners complying with the ones provided with reference to directors.	√ See Chapter 13
8.C.2. The statutory auditors shall accept the appointment when they believe that they can devote the necessary time to the diligent performance of their duties.	√ See Chapter 12
8.C.3. The Board of Statutory Auditors shall have at least one third of members of the less-represented gender	√ See Chapter 13
8.C.4. The remuneration of statutory auditors shall be proportionate to the commitment required from each of them, to the importance of his/her role as well as to the size and business sector of the company.	√ See Chapter 13 See Report on Remuneration
8.C.5. A statutory auditor who has an interest, either directly or on behalf of third parties, in a certain transaction of the issuer, shall timely and exhaustively inform the other statutory auditors and the chairman of the Board about the nature, the terms, origin and extent of his/her interest.	√ See Chapter 13
8.C.6. In the framework of their activities, the statutory auditors may demand from the internal audit function to make assessments on specific operating areas or transactions of the company.	√ See Chapter 10.2
8.C.7. The Board of statutory auditors and the control and risk committee shall exchange material information on a timely basis for the performance of their respective duties.	√ See Chapter 10.6
Article 9 – Relations with the Shareholders	
Principles	
9.P.1. The Board of Directors shall take initiatives aimed at promoting the broadest participation possible of the shareholders in the shareholders' meetings and making easier the exercise of the shareholders' rights.	√ See Chapter 14
9.P.2. The Board of Directors shall endeavour to develop a continuing dialogue with the shareholders based on the understanding of their reciprocal roles.	√ See Chapter 14
Criteria	
9.C.1. The Board of Directors shall ensure that a person is identified as responsible for handling the relationships with the shareholders and shall evaluate from time to time whether it would be advisable to establish a business structure responsible for such function.	√ See Chapter 14
9.C.2. All the directors usually participate in the shareholders' meetings. The shareholders' meetings are also an opportunity for disclosing to the shareholders information concerning the issuer, in compliance with the rules governing price-sensitive information. In particular, the Board of Directors shall report to the shareholders' meeting the activity performed and planned and shall use its best efforts for ensuring that the shareholders receive adequate information about the necessary elements for them to adopt in an informed manner the resolutions that are the competence of the shareholders' meeting.	√ See Chapter 15
9.C.3. The Board of Directors should propose to the approval of the shareholders' meeting rules laying down the procedures to be followed in order to permit an orderly and effective conduct of the shareholders' meetings of the issuer, without prejudice, at the same time, to the right of each shareholder to express his or her opinion on the matters under discussion.	√ See Chapter 15

9.C.4. In the event of significant changes in the market capitalization of the company's shares or in the composition of its shareholders, the Board of Directors shall assess whether proposals should be submitted to the shareholders' meeting to amend the by-laws in respect to the majorities required for exercising actions and rights provided for the protection of minority interests.

√
See Chapter 15

**CURRICULA
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) until 13 March 2019

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 a 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, a member of the council of Serpentine Galleries and Chairman of the BC Partners Foundation.

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 Gruppo 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..



Stefania Criveller

Director (until 11 March 2019)

Education

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

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

Professional experiences

Since 2008

CFO - COO - 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, following 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 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



Gabriele Del Torchio

Director

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

Professional experiences

Graduated with a degree in Economics and Banking from Cattolica del Sacro Cuore University in Milan, 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. From 2016 to 2018 he was a member of the Board of Directors of the Università degli Studi di Padova and from July 2015 to June 2016 he was Executive President of Snai S.p.A.

Professional Positions

Since March 2018 he has been Chief Executive Officer of T Group S.p.A.

He is, also, non executive member of Board of directors of Tecnica Group S.p.A. and Tod's S.p.A., from 5 aprile 2019 he is chief Executive Officer of B&B Italia S.p.A. and Director of Design Holding S.p.A.



Stefano Ferraresi

Director (until 11 March 2019)

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. as well as Chairman of the Board of Directors of Forno d'Asolo S.p.A.



Elena Garavaglia

Director (from 20 June 2018)

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

Education

April 2008

Ph. D. in "Corporate Law".

Università commerciale Luigi Bocconi, via Sarfatti n. 25, Milan

May 2006

Lawyer: Ordine degli avvocati di Milano, via Freguglia n. 1, Milan

October 2002

Master's degree in Law, Final grade: 110/110.

Università degli studi di Milano, via Festa del Perdono n. 7, Milan

July 1997

High school diploma (Classical studies, experimental major in the English language)

Liceo Classico A. Manzoni, Via Orazio n.3, Milan

Work experience

Since 2013

- Legal advisor, Italian and International Contract Law;
- Advisor, Corporate Governance and Corporate Compliance;
- Advisor, Management & Control Model (Italian Legislative Decree no. 231/2001).

2002-2012

Legal advisor and Lawyer, Criminal Law and Corporate Criminal Law for individuals and companies, as well as Corporate Criminal Liability (Italian Legislative Decree no. 231/2001) at:

"Studio Legale Vassalli e Associati", then "Perroni & Associati" – Corso di Porta Vittoria n. 46, 20123, Milan

"Studio Legale Prof. Alberto Alessandri" – via Statuto n. , 20121, Milan

Teachings and Scientific Publications

A.a. 2009/2010 – A.a. 2008-2009 – A.a. 2003-2004: *Teaching assistant*, teacher and tutor of Criminal Law, at the Università L. Bocconi in Milan – Law School, via Salfatti n. 25, Milan

Author of several articles about corporate crimes and Corporate Criminal Liability

Languages

Italian: native language; English: good

Professional duties

She is director of the following companies:

- Damiani S.p.A. (listed company) - non executive and independent (Chairman of the Control, Risks, Remuneration and Transactions with Related Parties Committee)

She is President of the Supervisory Body ex Italian Legislative Decree no. 231/2001 of A2A Energia S.p.A. and A2A Smart City 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

Piovan S.p.a. (listed)

Director (non executive)

Servizi Italia S.p.A. (listed)

Director (non executive)

Corà Domenico e Figli s.p.A.

Chairman (non executive)



Marvin Teubner

Director (until 11 March 2019)

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.



Giovanni Tamburi

Director (from 13 March 2019)

Vice-Chairman (from 17 April 2019)

COMMITTEES: Nomination and Remuneration Committee (member) from 13 March 2019

Education

Degreed in Economics and Business from the Sapienza University of Rome (110 cum laude).

Professiona axperiences

1992 — at present

Tamburi Investment Partners S.p.A.

Founder and Chairmna of T.I.P. - Tamburi Investment Partners S.p.A., an independent investment/merchant bank, focused on the development of excellent Italian medium-sized companies, listed on the STAR market of the Italian Stock Exchange with a capitalization of one billion euros. Over the years, TIP has invested - directly or through a club deal - for about 3 billion euros.

1980 - 1991

Euromobiliare (Midland Bank Group)

In the last years of the period: Director and Vice General Manager of Euromobiliare S.p.A., director of Banca Euromobiliare S.p.A. and other group companies. General manager of Euromobiliare Montagu S.p.A., investment and mercbant bank of the group.

1977 - 1980

Gruppo Bastogi

General Manager assistant.

1975 - 1977

S.O.M.E.A. S.p.A.

Financial Analyst

Principal other offices

Director:

Alpitour S.p.A.

Azimut Benetti S.p.A.

Amplifon S,p,A,

Beta Utensili S.p.A.

Eataly Distribuzione S.r.l.

Fimag S.p.A.

Furia S.p.A.

Interpump Group S.p.A.

Jumboturismo S.A.U.

Neos S,p,A.

Chairman of the Board of Directors of Asset Italia S.p.A., Betaclub S.r.l., Clubitaly S.p.A., Clubtre S.p.A., IPG Holding Group S.p.A., TIP-Pre IPO S.p.A.; Sole director of: TXR S.r.l. Lippiuno S.r.l. and Member of the Supervisory Board of Roche Boboís Group.

Institutional and academic office (in the past)

Member of the commission for the law 35/92 established by the Ministero del Bilancio ("Cappugi" Commission for privatizations)

Member of the Advisory Board for Privatizations of the Municipality of Milan

Professor on contract of Corporate Finance at the LIUC - University of Castellanza, both at the normal university course and at the master, between 1992 and 2004

Professor on contract of Extraordinary Finance Operations at the LUISS Masters Course - Free University of Social Study in Rome, between 1993 and 2003.

Publications

Author or co-author of "Prezzi & Valori - L'enterprise value nell'era digitale", "Asset Italia", "Comprare un'azienda, come e perché", "Privatizzare, scelte, implicazioni e miraggi", "Metodi e Tecniche di Privatizzazione", "Privatizzazione e Disoccupazione, I Poli di Sviluppo Locale", "Privatizzare con il Project Financing", "Azionariato dei dipendenti e Stock Option", "Finanza d'impresa" and "Corporate Governance".



Alessandra Gritti

Director (From 13 March 2019)

Education

Degree on business and administration.

Spacialization on Company Finance taken in 1984 at Università Bocconi of Milano (110 cum laude).

Professional Experiences

1994 — at present

Tamburi Investment Partners S.p.A.

Vice Chairman and Chief Executive Officer of T.I.P. – Tamburi Investment Partners S.p.A., independent investment merchant bank, focused on the development of excellent Italian medium-sized companies, listed on the STAR market of the Italian Stock Exchange with a capitalization of one billion euros. Over the years, TIP has invested - directly or through a club deal - for about 3 billion euros.

Founding partner and Chief Executive Officer of Tamburi & Associati, a company specializing in the assistance of corporate finance operations (M&A, IPO, Advisory in general). In 2007 Tamburi & Associati S.p.A. was merged by incorporation into Tamburi Investment Partners S.p.A.

Chief Executive Officer of SeconTip S.p.A. - company established in 2006 and specialized in secondary private equity activities. In March 2011 SeconTip S.p.A. was merged by incorporation into Tamburi Investment Partners S.p.A.

1986 - 1994

Euromobiliare Montagu S.p.A.

Company in which all the investment-merchant banking activities of the Midland Hong Kong Group & Shanghai Bank for Italy were concentrated. Since 1991 Manager and then Head of the Mergers and Acquisitions sector

1984 - 1986

Mediocredito Lombardo

Studies office, Milano

1984

Gruppo Sopaf (famiglia Vender)

Analyst for the company specializing in venture capital activities

Principal other offices

Chief Executive Officer:

Asset Italia S.p.A.

Betaclub S.r.l.

Clubitaly S.p.A.

TIP-Pre IPO S.p.A.

Director

Alpitour S.p.A.

Beta Utensili S.p.A.

Chiorino S.p.A.

Eataly Distribuzione S.r.l.

Furla S.p.A.

Sant'Agata S.p.A.

Moncler S.p.A.

Sole Director of Asset Italia 1 S.r.l., Asset Italia 2 S.r.l., Clubdue S.r.l. and StarTIP S.r.l.

Offices ended _____

In the past she held the position of director of various listed and unlisted companies, including a banking institution.

Publication _____

Collaborator of institutions and journals specialized in the financial field.

Author of numerous articles and publications on the subject.



Massimiliano Magrini

Director (from 13 March 2019)

Education

Università di Bologna, Master of Science in Political Science
Harvard Business School, Executive Program in Private Equity and Venture Capital

Professional experiences

Since 2012

Founder, Managing Partner, CEO, United Ventures SGR.
CO-Founded United Ventures, leading Italian tech Venture Capital SGR Board Member:
Board Member at Cloud4Wi
Board Member at Mainstreaming
Board Member at Paperlit
Board Member at EXEIN

2009-2012

Founder, Ceo Annapurna Ventures
Founded Annapurna Ventures, an early stage Venture Capital Advisory Company that combined the proactivity of Angel Investing with the structured approach of Venture Capital

Investments:

Paperlit
AppsBuilder
Moneyfarm
PharmaWizard

2007-2009

Country Director at Google Italy, Spain and Portugal
Managed the turnaround in Spain, completed the reorganization of a team of 90 people, defined new business plan of a €400M business.
Finalised key hires: Head of Operation and the Country Manager.
Finalised the business structure of 15 People and business plan of €130M business in Portugal. Hired the new Country Manager.

2002-2007

Country Manager at Google Italy
Launched from Mountain View California the operation of Google in Italy. Hired a team of 90+ People reached €460M in revenue. Won the Best Place to Work in 2008 and established the leadership in the Country for various Consumer Products: Maps, Gmail, AdSense.
Established partnership with key players such as Telco Operators, Leading Publisher, Government Bodies (Ministries, Regions and Municipalities).

2000-2002

Country Manager at Google Italy
Launched Altavista Italy establishing the company's local business, evaluating partner strategies and key business relationships. Defined the business and ops organisation presented to CMGI the major shareholder. The Business and Ops proposed was implemented in all EMEA Countries.
Developed a team of 25 People and a € 20M business at the time of the Sale to Overture (Yahoo)

1998-2000

Business Development Manager at Il Sole 24 Ore
Managed the development of the most profitable business of the leading financial newspaper in Italy. In charge of the Vertical product offering, managed to grow revenues from €35M to €90M business and growing the team from 1 to 6 people

1996-1998

Business Development Manager at Rusconi Editore (Hearst)
Started the Special Initiative department with the mission of maximising circulation and finalising tailor made sponsorship opportunity with key partners.
Started a business that contributed to the 30% of the overall Company's bottom line

1994-1996

Product Manager at Mediaset

Managed the product offering and the business development of a set of sponsorship based Television programme.
Managed P&L of the product line developing key partnership with the Group Broadcasting Unit, the Advertising sales Force and the legal department.

Other Positions

Since 2012

AIFI

Vice president of the Venture Capital Committee from 2014

2011

Minister of Economic Development

Advisor to to roll out a new legislation to support the start-up ecosystem Italy

2011-2016

Università Bocconi

Lecturer on Venture Capital at Finance Course

2008-2010

Università Bocconi

Lecturer on Open Innovation at Strategy Course

Stefano Poggi Longostrevi

Chairman of the Board of Statutory Auditors (from 1° June 2018)

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 has been 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

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.

Roberto Cortellazzo Wiel

Standing Statutory Auditors

Education

1983

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 quinquies 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 quinquies, 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;
- Cosi – 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 Hydraulics & 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;
- Limacorporate Spa, registered at the Company Register of Udine n. 01427710304, member of the Supervisory Board.

Eleonora Guerriero

Standing Statutory Auditor

Education

2007

In 2007 she achieved the authorization to practice the profession of chartered accountant (registration at the Chartered Accountants Register of Milan no. 6931)

2009

Registration at the Statutory Auditors Register with D.M. 12/02/2009, in G.U. no. 19 of 10/03/2009 (no. 153915)

2002

Degree in Economics and Commerce, "Company Legislation" branch, 110/100 cum laude, University of Pavia

Professional experiences

Since 2002 she has been collaborating with Studio Associato - Legal and Tax Consulting, an association of professionals belonging to the KPMG network, providing consultancy services in commercial law for various companies and groups, both Italian and foreign, including companies listed on regulated markets, credit institutions and insurance.

In her professional experience in Studio Associato - Legal and Tax Consulting, she has developed different skills, from corporate secretarial activities (such as preparation of documents, resolutions and other corporate documentation, including Statutes and Shareholders' Agreements) to participation in group reorganization projects companies, including public participation, interfacing with other parties/companies involved in the operations, with notaries and other entities that may be involved/interested (banks, etc.).

In carrying out the aforementioned consultancy activities, she also assisted the client companies by drafting opinions on specific issues, also on accounting/financial reporting issues.

With regard to the legal control of the accounts, she currently holds the position of Statutory Auditor of the Board of Statutory Auditors, also in charge of the statutory audit of the accounts.

Professional Positions

Balconi Presseccentriche S.p.A.	Standing Auditor
Camfil S.p.A.	Standing Auditor
Campus S.r.l.	Standing Auditor
ERM Italia S.p.A.	Standing Auditor
ESNT Holdings S.p.A.	Standing Auditor
Essentra Packaging S.r.l.	Standing Auditor
FIAL International Trading S.p.A.	Standing Auditor
Firmenich S.p.A.	Standing Auditor
Firmenich Holding (Italy) S.p.A.	Standing Auditor and Chartered Accountant
Huawei Technologies Italia S.r.l.	Standing Auditor
IMI Holding Italy S.r.l.	Chairman of the Board of Statutory Auditors
JK Group S.p.A.	Standing Auditor
Memc Electronic Materials S.p.A.	Standing Auditor
MS Printing Solutions S.r.l.	Standing Auditor
Naturex S.p.A.	Standing Auditor
Nemko S.p.A.	Standing Auditor

OVS S.p.A.	Standing Auditor
Ravaglioli S.p.A.	Standing Auditor
STI S.r.l.	Only Standing Auditor
Augusto S.p.A.	Alternate Auditor
Eisai S.r.l.	Alternate Auditor
F.I.A.L. Finanziaria Industrie Alto Lario S.p.A.	Alternate Auditor
Gruppo Aturia S.p.A.	Alternate Auditor
Officine Nicola Galperti e Figlio S.p.A.	Alternate Auditor
Synlab Italia S.r.l.	Alternate Auditor

Publications _____

She has participated as a lecturer at various conferences, organized by the Order of Chartered Accountants of Milan and of the Order of Chartered Accountants of Pavia, concerning the topic "management and coordination and corporate groups".

She contributed to the preparation of the manual "The extraordinary operations" by various authors, Giappichelli, 2010.



Antonella Missaglia

Alternate Statutory Auditor

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 Presseccecentriche 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