



**REGULATIONS OF THE
CONTROL AND RISK AND SUSTAINABILITY
COMMITTEE**

**OF
OVS S.p.A.**

Approved by the Board of Directors of OVS S.p.A. on 23 July 2014, effective as of 2 March 2015.

As amended by Board of Directors on 20 September 2017

1. ARTICLE 1
PURPOSE AND SCOPE

- 1.1 These regulations (the “**Regulations**”) govern the composition, duties and operation of the Control and Risk Committee of OVS S.p.A. (the “**Company**”), established by the Board of Directors’ resolution adopted on 23 July 2014, effective as of 2 March 2015, as amended with resolution on 20 September 2017 (hereinafter, the “**Control and Risk and Sustainability Committee**”), to implement the recommendations of the Code of Conduct issued by the Corporate Governance Committee for Listed Companies set up at the Borsa Italiana S.p.A. (the “**Code of Conduct**”).

2. ARTICLE 2
APPOINTMENT AND COMPOSITION

- 2.1 The Control and Risk and Sustainability Committee members and its chairperson (the “**Chairperson**”) shall be appointed and removed by Board of Directors’ resolution.
- 2.2 The Control and Risk and Sustainability Committee shall consist of three members, namely non-executive directors, a majority of which shall be independent according to the standard of independence required by the Code of Conduct. At least one Control and Risk and Sustainability Committee member shall have adequate knowledge and experience in accounting and financial matters or in risk management, to be assessed by the Board of Directors at the time of appointment. The Chairperson shall be appointed from the independent directors.
- 2.3 On proposal of the Chairperson, the Control and Risk and Sustainability Committee shall appoint a secretary, who need not be one of its members.
- 2.4 The directors shall accept the office as Control and Risk and Sustainability Committee members only if they are convinced that they can devote the time required to diligently carry out their duties.
- 2.5 Unless otherwise determined by the Board of Directors at the time of appointment, the term of office of the Control and Risk and Sustainability Committee members shall be the same as that of the Board of Directors to which these members shall belong.

3. ARTICLE 3
DUTIES

- 3.1 The Control and Risk and Sustainability Committee shall be responsible for assisting the Board of Directors with inquiry, proactive and advisory functions in assessing and deciding on the internal control and risk management system, as well as on the approval of the regularly scheduled financial reports.
- 3.2 The Control and Risk and Sustainability Committee shall assist the Board of Directors in performing its duties related to (i) the definition of the guidelines for the internal control and risk management system, so that the main risks bearing on the issuer and its subsidiaries are correctly identified and adequately assessed, managed and monitored, setting both the compatibility criteria among the risks thus identified and the sound and proper management of the Company in line with the chosen strategic targets; (ii) the periodic assessment, at least once annually, of the adequacy and effectiveness of the internal control and risk management system in relation to the Company’s characteristics and the chosen risk profile; (iii) the approval, at least once annually, of the work plan prepared by the Head of the Internal Audit Department; (iv) the description in the Corporate Governance Report of the main features of the internal control and risk management

system, in order to assess their appropriateness; (v) the assessment, after consulting the Board of Statutory Auditors, of the results illustrated in the reports of the external auditing firms or in any letter of suggestions or in the report on key matters arising from the statutory audit; and (vi) the appointment and removal of the Head of the Internal Audit Department.

- 3.3 In assisting the Board of Directors, the Control and Risk and Sustainability Committee shall:
- (a) together with the corporate financial reporting manager and after consulting the statutory auditor and the Board of Statutory Auditors, assess the proper application of the accounting principles and their uniformity for the purposes of preparing the consolidated financial statements;
 - (b) express opinions on specific issues related to identifying the key business risks;
 - (c) examine the regularly scheduled reports relating to assessing the internal control and risk management system, and those of particular relevance prepared by the Internal Audit Department;
 - (d) monitor the independence, adequacy, effectiveness and efficiency of the Internal Audit Department;
 - (e) be entitled to ask the Internal Audit Department to perform audits on specific operating areas, concurrently notifying the Chairperson of the Board of Statutory Auditors to this regard;
 - (f) report to the Board of Directors at least once every six months, in conjunction with the approval of the yearly and half-yearly financial report, on its activity and on 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.
- 3.4 The Control and Risk and Sustainability Committee is also the appointed body on matters of sustainability, to evaluate the sustainability report and the non-financial information pursuant to the EU Directive 2014/95/EU. As competent body on matters of sustainability, the Control and Risk and Sustainability Committee: (i) has supporting and consultative functions towards the Board of Directors on matters of sustainability, using this term to mean all processes, initiatives and activities aimed at overseeing the Company's commitment to sustainable development throughout the value chain; (ii) examine the content of the sustainability report that is significant for the purposes of the internal control and risk management system; and (iii) reviews and assesses the sustainability policies so as to ensure value creation over time for the shareholders in their entirety and for all the other stakeholders in a medium to long term perspective, in accordance with the principles of sustainable development as well as the sustainability processes, guidelines and objectives and the sustainability report submitted annually to the Board of Directors.
- 3.5 The Control and Risk and Sustainability Committee shall be entitled to have access to information and to the corporate departments as required to perform its duties, and it may use external consultants at the Company's expense, but always within the budget limits approved by the Board of Directors, and providing they are not placed in situations that compromise their independent judgment.

**4. ARTICLE 4
CONVOCATION, PROCEEDINGS AND MINUTES OF MEETINGS**

- 4.1 The Control and Risk and Sustainability Committee shall be convened by its Chairperson, whenever the Chairperson deems it appropriate, but at least once every six months or when requested either by the Chairperson of the Board of Statutory Auditors or the Head of the Internal Audit Department or the Chairperson of the Board of Directors.
- 4.2 Notice of the meeting, stating the date, time and place of the meeting and the list of items to be discussed, together with all information required for discussion, shall be sent by the Chairperson or by the Secretary, on proposal of the Chairperson, at least five days before the date set for the meeting. In urgent cases, the notice period may be shorter.
- 4.3 The Control and Risk and Sustainability Committee meetings shall be chaired by the Chairperson or, if he or she is absent or unable to participate, by the member chosen by the participants.
- 4.4 The Control and Risk and Sustainability Committee meetings shall be attended by the Chairperson of the Board of Statutory Auditors (or by another auditor appointed by the Chairperson); in any case the other auditors may also attend. The Chairperson shall be entitled to invite to the Control and Risk and Sustainability Committee meetings other member of the Board of Directors and of the Board of Statutory Auditors, the auditors, the Corporate Department Heads of the Company, or any other person whose attendance may be of assistance to the Control and Risk and Sustainability Committee for the more efficient execution of its functions..
- 4.5 The Control and Risk and Sustainability Committee meetings may also be held by telecommunication means, provided that all participants can be identified and that such identification is recorded in the relevant minutes, and that they are able to follow and participate in real time in the discussion of the topics addressed and to exchange documentation, if so required. In such cases, the meeting shall be considered as held where both the Chairperson and the Secretary who records the minutes are physically located.
- 4.6 The Control and Risk and Sustainability Committee meetings shall be minuted. The Chairperson and the Secretary shall sign the minutes of the meetings, to be kept by the Secretary in chronological order.
- 4.7 The majority of the members in office must attend the Control and Risk and Sustainability Committee meetings for the same to be valid.
- 4.8 The decisions of the Control and Risk and Sustainability Committee shall be taken by absolute majority of the members in office.

**5. ARTICLE 5
AMENDMENTS TO THE REGULATIONS**

- 5.1 The Control and Risk and Sustainability Committee shall review the adequacy of these Regulations regularly, but at least once annually, and submit any amendments or additions to the Board of Directors.