



# REGULATION OF THE RISKS, TRANSACTIONS WITH RELATED PARTIES AND SUSTAINABILITY COMMITTEE

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**Approved by  
Board of Directors  
of 16 December 2021**

**doValue**

# doValue

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## INTRODUCTION

This regulation - approved by the Board of Directors of doValue S.p.A. ("**doValue**" or "Company") - governs the composition, role, duties, operation of the Risks, Transactions with Related Parties and Sustainability Committee (the "**Committee**") of the Company in compliance with current primary and secondary legislation, and, in particular, the requirements of the Regulations adopted by Consob with resolution no.11971/1999 (the "**Consob Issuers' Regulation**") and no.17221/2010, updated with the amendments made by the resolution no. 21624 of 10 December 2020 (the "**Consob Transactions with Related Parties Regulation**"), of the Company's Articles of Association (the "**Articles of Association**"), the Corporate Governance Code promoted by the Corporate Governance Committee of Listed Companies established at Borsa Italiana S.p.A. (the "**Corporate Governance Code**"), of Italian Legislative Decree 254/2016 regarding the disclosure of information of a non-financial nature and information on the diversity by certain large enterprises and groups, as well as other laws and internal normative provisions applied from time to time.

The provisions in this regulation must be applied and followed by all Committee members.

The Committee is composed within the Company's Board of Directors (the "**Board of Directors**") as per art. 21 of the Articles of Association.

The Committee has a consultative, investigatory and propositional function and does not limit the Board of Directors' responsibility or decision-making power. Specifically, the primary goal of the Committee is to support the Board of Directors concerning the governance of the Company's risks and internal control system and of companies it controls (the "**Group**") and concerning sustainability for initiatives and activities aimed at creating shared value for all Stakeholders and dissemination of a sustainability culture in all countries where the Group is present. Moreover, the same Committee monitors issues regarding transactions with related parties connected with Consob regulation no. 17221/2010, updated with the amendments made by the resolution no. 21624 of 10 December 2020.

This regulation is approved by the Board of Directors, on a proposal of the Committee, and amended by the same if the need to do so arises.

## ARTICLE 1 (Functions)

1.1 In compliance with the Articles of Association, the Committee has the duty to assist the Board of Directors with consultative, investigatory and propositional functions, concerning:

### A) RISKS AND INTERNAL CONTROLS SYSTEM

In relation to the risks and internal controls system in conformity with the provisions of the Corporate Governance Code, the Committee:

- a) supports the Board of Directors in evaluating and making decisions regarding the internal control system and risk management and approval of periodic financial and non-financial reports.
- b) examines in advance the programmes of activity (including the audit plan) and the annual reports prepared at consolidated level by the Company Functions with specific duties in relation to internal control and risk management and addressed to the Board of Directors;
- c) assesses the correct use of the accounting standards for preparing the consolidated financial statements and the financial statements of the Company and to that end liaises with the Manager in Charge of preparing the accounting

documents and with the Board of Auditors of the Company (the “**Board of Auditors**”);

- d) expresses its opinion to the Board of Directors with regard:
- issues its favourable opinion in relation to the proposals regarding the appointment, revocation and, coherently with the company policies, the definition of the structure of fixed and variable remuneration of the Head of Internal Audit, as well as the adequacy of the resources assigned to the latter for the performance of its responsibilities;
  - to the definition of the guidelines of the internal control and risk management system, so that the main risks relating to the Company and its subsidiaries are correctly identified, as well as adequately measured, managed and monitored, and the determination of the level of compatibility of those risks with business management coherent with the strategic objectives identified;
  - to the assessment, at least on an annual basis, of the adequacy of the internal control and risk management system with respect to the characteristics of the business and the risk profile assumed, as well as its effectiveness;
  - approval on at least a yearly basis, of the work plan prepared by the manager of the Internal Audit function. after consulting with the Board of Auditors and Chief Executive Officer;
  - Attribution to the Board of Auditors or a body specifically established the functions of supervision as per art. 6, paragraph 1, letter b) of the Italian Legislative Decree no. 231/2001;
  - the description, in the company governance report, of the main internal control system characteristics and risk management and the procedures for coordination of involved subjects, indicating the models and national and international best practices, expressing its assessment on the adequacy of the same and decisions made related to the supervisory body composition;
  - assessment, after consultation with the Board of Auditors, of the results found by the independent auditor in the letter of suggestions, if any, and in the additional report addressed to the Board of Auditors;
  - to the appointment and revocation of the head of the Internal Audit and the head of AML who will be appointed by the Board of Directors having heard from the board of auditors of the Company (the “Board of Auditors”);
  - assessment of the opportunity to adopt measures to ensure effective and impartial judgement of the other company functions - in addition to Internal Audit and AML - involved in the audits (such as the risk management function and control of legal risk and that of nonconformities), verifying that they possess adequate professionalism and resources.
- e) expresses opinions on specific aspects relating to the identification of the main business risks, including in its assessments all risks that may become significant in the perspective of medium to long-term sustainability;
- f) examines the periodic reports, concerning the assessment of the internal control and risk management system, and those of particular relevance prepared by the Internal Audit function;
- g) monitors the autonomy, adequacy, effectiveness and efficiency of the Internal Audit function;
- h) requests from the Internal Audit function, where the need or opportunity arises, the conduct of checks on specific operational areas, simultaneously notifying the

chairman of the Board of Auditors;

- i) reports to the Board of Directors, at least half-yearly, on the occasion of the approval of the annual and half-yearly report, on the activity performed as well as on the adequacy of the internal control and risk management system;
- j) supports with adequate preliminary activity the assessments and decisions of the Board of Directors on managing risks deriving from prejudicial events of which the Board of Directors has become aware;
- k) assess the adequacy of periodic information, financial and non-financial, to correctly represent the business model, company strategies, impact of its activities and archived performance;
- l) examination of the contents of the periodic information of a non-financial nature relevant for the internal control system and risk management so that they are correctly identified, as well as adequately measured, managed and monitored;
- m) assesses and expresses an opinion to the Board of Directors concerning the economic-financial sustainability and the solidity of the pool bonus set aside at the time of the budget and/or revised during the year.

## B) SUSTAINABILITY

The Committee performs the consultative, investigatory and propositional functions vis-a-vis the Board of Directors concerning the sustainability of company policies and its interaction dynamics with all stakeholders. In particular:

- a) it monitors the alignment of the governance system with the law, Recommendation of the Corporate Governance Code and national and international best practices in analysing subjects relevant for the long-term generation of economic-financial value and social and environmental value for all the other stakeholders, preparing proposals for the Board of Directors;
- b) promote the dissemination of the sustainability culture to all its Stakeholders: employees, shareholders, customers and suppliers;
- c) examines the guidelines of the sustainability plan and Company policies concerning human rights, corporate ethics and integrity, diversity and inclusion, as well as integration policies of environmental, social and governance issues in the business model as well as initiatives undertaken by the Company to face issues related to climate change and relative reporting;
- d) examines and supervises orientations, objectives and consequent processed, sustainability and sustainability reporting submitted annually to the Board of Directors, as well as the informative sheet of a non-financial nature as per Italian Legislative Decree 254/2016 (the "Non-Financial Declaration") of the Group, including the analysis of materiality and the respective stakeholder engagement, assessing its completeness and reliability, based upon the requirements of Italian Legislative Decree 254/2016;
- e) 254/2016; supports the assessments and decisions of the Board of Directors relating to the approval of the reporting on risks, generated or incurred, related to socio-environmental issues deriving from the business activities, from its services or commercial relationships, including the supply chains and subcontracting, as required by Italian Legislative Decree 254/2016;

- f) expresses, when requested by the Board of Directors or Chief Executive Officer, opinions on sustainability questions;
- g) examines the profit and non profit strategy, as well as the Company's sustainable finance initiatives
- h) Monitors the evolution of sustainability including in light of new legislation and pertinent international principles, monitoring the Company's position compared to financial markets on sustainability issues, with particular reference to the Company's rank in ESG indexes, as well as international environmental, social and governance initiatives and Company participation in them, aimed at consolidating the Company's reputation on an international scale;
- i) reports to the Board of Directors, at least half-yearly, on the occasion of the approval of the annual and half-yearly report, on performed sustainability activity.

## C) TRANSACTIONS WITH RELATED PARTIES

Management of transactions with related parties within the limit of the role of the same attributed by reference legislation, the Committee supports the Board of Directors of doValue and Group subsidiaries, in assessing and managing Transactions with related parties, expressing its opinion beforehand on the internal procedures as well as (where required by internal rules) on the approval of specific Transactions, in order to ensure compliance in relation to the Consob Regulation on Transactions with Related Parties. In particular, by means of example, the Committee can:

- a) issue preventive and motivated as well as binding opinions, for the purpose of a Board of Directors' resolution, overall adequacy of the Policy and procedures in terms of management of transactions with related parties covered therein, as well as later updates, to achieve the objectives established by the Consob Regulation on Transactions with Related Parties;
- b) is involved, either collectively or through its own independent member who may be delegated, already in the stages of negotiation and preliminary investigation of Significant Related-party Transactions of the Parent Company and of the Subsidiaries, by receiving a complete and timely information flow and with the right to request information as well as to formulate observations to the delegated bodies and to the subjects in charge of carrying out the negotiations and preliminary investigation;
- c) issues, where applicable, prior and reasoned opinions on the Transactions of the Parent Company and of the Subsidiaries with regard to the interest in carrying out such Transactions as well as on the advantage and substantial correctness of the relevant terms;
- d) it expresses an opinion based on information made available on material issues regarding the Related Parties Scope;
- e) it may be assisted in issuing opinions by independent experts it chooses, after verification of the relative independence;
- f) verifies the correct application of the exemption conditions applied to Significant Related Party Transactions defined as ordinary and concluded at market or standard conditions, communicated to the same as envisaged in par.

- g) based on the received annual information flow, performs a control afterwards on the application of the exemption cases on exempt transactions during the year and assessing the adequacy of the exemption procedures, including for the purpose of their periodic review.
- 1.2 The Company's Chief Executive Officer may submit to the Committee issues or questions he/she feels useful to investigate for later approval/information to the Board of Directors and promptly reports to the Committee on problems and criticalities emerging while performing its activity or of which it has learned of, so that the Committee can undertake appropriate initiatives.
- 1.3 The Committee identifies the information flows which must be addressed to it in relation to risks (subject, format, frequency, etc.) and may access relevant company information for the purposes of carrying out these functions.

## **ARTICLE 2 (Appointment, composition, term in office, revocation or resignations)**

- 2.1. The Committee is established with a resolution of the Board of Directors, normally in the first meeting after the renewal of the directors' offices. At the time of the same session, the Board of Directors shall appoint a chairman for the Committee, selected from the independent members and define expenditure powers.
- 2.2. The Committee is composed of a minimum of three members and a maximum of five selected from the members of the Board of Directors, non-executive and the majority in possession of the independence requirements, established by applicable legal and regulatory provisions.
- 2.3. The composition of the Committee must be different, at least in terms of one member, compared to the Appointments and Remuneration Committee.
- 2.4. The Committee members must possess the knowledge, expertise and experience in order to be able to fully understand and monitor the strategies and orientations to risk of the Company and Group. At least one member of the Committee must possess an adequate experience in accounting and finance or risk management verified by the Board of Directors at the time of appointment.
- 2.5. With the exception of a shorter term in office established at the time of appointment or with the exception of cases of disqualification, revocation, death or resignation, the Committee members remain in office until the end of the Board of Directors' term.
- 2.6. In addition to what is established by law and the Company's Articles of Association regarding the cases for disqualification from the office of director, cessation of the following is cause for disqualification as a Committee member:
  - qualification as independent director;
  - qualification as non-executive director.
- 2.7. The Board of Directors revokes, by reasoned resolution, individual Committee members if incompatibility circumstances arise that prejudice the autonomy or impartial judgement or as a consequence of serious and ascertained breaches in relation to the duties connected with the office of Committee member. In such case, the Board of Directors, subsequent to the revocation, shall make an immediate replacement with its own members in compliance with the criteria as per paragraphs 2.2, 2.3 and 2.4. The same procedure is adopted if one or more members cease to be part of the Committee for any other reason.
- 2.8. The Committee members can resign from the office in the Committee without being required to resign from the office in the Board of Directors. Resignations are communicated to the Chairman of the Board of Directors and the Chairman of the Board



of Auditors, and are effective when the Committee is reformed (with the exception *prorogation* of a case where, after the resignations, less than the majority of Committee members remains in office).

## **ARTICLE 3 (The Chairman)**

- 3.1 The Committee is guided and coordinated by a chairman; if not already appointed by the Board of Directors, the Committee elects its Chairman from the independent directors in its first meeting.
- 3.2 The Committee chairman plans and coordinates the Committee's activities:
  - a) calls the Committee's meetings and establishes the agenda topics;
  - b) the chairman may invite to the single meetings: the chairman of the administrative body, the Chief Executive Officer, the other directors and, subject to informing the Chief Executive Officer, pertinent company managers based on the topic;
  - c) the chairman ensures correct operation of the Committee, promoting internal dialogue and effective discussion between the members and assuring that the most significant issues are treated with the necessary priority and time;
  - d) guarantees that the Committee expresses an opinion on all points on the agenda,
  - e) the chairman reports the results of the Committee's work to the Board of Directors regarding the studies and assessments made as well as opinions expressed, and may also sign in the name of the Committee any reports and opinions to submit to the Board of Directors;
  - f) coordinates relations between the Committee and Board of Directors;
  - g) the chairman submits to the Committee proposals to use external experts on certain issues being analysed and has expenditure powers to the extent established by the Board of Directors. These powers are exercised when equivalent resources in the Company or Subsidiaries cannot be used, and as long as the aforesaid external consultant is not found in circumstances that compromise an independent judgement.
- 3.3 In the event of absence or inability to attend, the Chairman's functions are exercised by the most senior independent member.

## **ARTICLE 4 (The technical secretary)**

- 4.1 The Committee appoints, including from outside its members, a technical secretary, possibly in the Legal & Corporate Affairs function area, who provides the necessary support to the Committee for performing its relevant activities.
- 4.2 Specifically, the technical secretary performs the following activities:
  - a) assists the chairman in convening the Committee meetings and in sending to the members and to the other participants the respective informative material, ensuring the completeness of the documentation required for the Committee's works;
  - b) prepares the minutes of the meetings ensuring that they contain the interventions of each member and final decisions made by the Committee itself;
  - c) sends the decisions made by the Committee to the various recipients and receives the reports addressed to the Committee supporting the latter in the circulation of information flows;
  - d) collects documentation on the progress of activities requested by the Committee to structures within the Group and to outside independent contractors;

- e) sees to retention and archiving documents acquired by the Committee and drafts an index on an adequate digital support appropriately protected against loss or unauthorised access to the data.

## **ARTICLE 5 (Convocation of the Committee and performance of meetings)**

- 5.1 The Committee meets whenever it is necessary to perform activities required by law and this regulation.
- 5.2 The Committee members and with copy to all Board of Directors members are informed of the date of each meeting and of the agenda of the same by e-mail sent by the technical secretary, with prior notice of at least three days.
- 5.3 Urgent meetings may be convened by the chairman when the need arises following the emergence of circumstances that require immediate examination. In such case, the meeting may be convened with prior notice of at least 24 hours. In the event of the Chairman's absence or impediment, the convocation may be performed by the subject identified in paragraph 3,3 above.
- 5.4 The Committee may also be convened at the request of one or more of its members other than the chairman, provided that the request, sent to the latter, indicates the matters to be discussed and any urgency of the convocation. The chairman convenes the meeting as soon as possible in relation to the particular circumstances.
- 5.5 The meetings may even be held using means of telecommunication, provided that each of the attendees can be identified and that they are able to intervene in real time during the discussion of the matters examined as well as to receive, send and read documents.
- 5.6 The following participate in Committee works with a consultation function: at least the Chairman of the Board of Auditors and/or standing auditor designated by the same; moreover, by invitation of the Committee chairman the following may participate for consultation/information purposes, subjects who are not members, the Chairman of the Board of Directors, Chief Executive Officer, the other directors and, after informing the Chief Executive Officer, the members of competent company functions, with reference to single points on the agenda. The Committee may also invite to the meetings, again with advisory/informative functions, even external persons, who are subject to the confidentiality obligations governed by this regulation.
- 5.7 Even in the absence of the formalities described above, the Committee is validly constituted and fit to resolve upon any item on the agenda where all members are in attendance and nobody objects to the discussion.

## **ARTICLE 6 (Quorum and Resolutions)**

- 6.1. The Committee is quorate when the majority of its members is present. Decisions are made with a majority of those present; in the case of a composition with three member and only two present, decisions are by unanimous vote.

Each time the Committee is asked to provide an opinion regarding transactions with related parties, in the cases required by applicable law and internal normative provisions, only independent directors resolve according to the requirements of applicable legislative and regulatory provisions and internal normative provisions. If a Committee member has a conflict of interest, for themselves or third parties, related to the subject of the resolution, the other Committee members must be immediately informed and the member must refrain from voting.

## **ARTICLE 7 (Minutes and Archiving)**

- 7.1. The technical secretary prepares the minutes of each meeting, which are normally submitted for approval of the committee at the next available meeting,
- 7.2. The Committee meeting minutes, signed by the chairman and the technical secretary, are archived in a specific book kept by the Legal & Corporate Affairs function. A copy of the minutes is transmitted to the Committee members, standing members of the Board of Auditors and to the Board of Directors.
- 7.3. Each Committee member has the right for his or her no vote or abstention to be reported in the minutes as well as the relative reasons. The absence of unanimity in opinions and proposals formulated by the Committee must be represented to the Board of Directors by the Committee's chairman.
- 7.4. Along with the minutes book, any opinions of third party consultants that the Committee uses are also archived, again by the same function.
- 7.5. Access to the Committee acts and documents is subject to the same retention and access rules for Board of Directors acts.

## **ARTICLE 8 (Confidentiality)**

- 8.1 The Committee members, attendees and those invited to meetings are required to keep confidential any news and information acquired in performing their respective functions. They shall not disclose confidential news or information to unauthorised subjects and shall refrain from using confidential information for purposes other than performance of the Committee functions.

## **ARTICLE 9 (Information flows system)**

- 9.1 The Committee periodically receives, according to established procedures and time frames, the documentation and information relevant for an aware performance of assigned responsibilities.
- 9.2 The information flows regarding the Committee are accurately defined in the internal organisational measures (e.g. Regulations, Policies, etc.) issued by the Company. In reference to company functions with specific duties related to internal control and risk management, such flows are accurately defined in the "Integrated Internal Controls System Regulation" approved by the Board of Directors.
- 9.3 These information flows make it possible to pursue the following objectives:
  - a) ensure company bodies and their members the availability of the information necessary for their effective and aware performance of assigned duties;
  - b) guarantee a clear and preventive identification of involved subjects, expected results and time constraints, with indication of the different levels of involved responsibility;
  - c) facilitate and coordinate between company bodies both within each individual company and within the group, as well as an efficient connection between executive bodies and corporate bodies;
  - d) provide, within the framework of the Company's management and coordination activity, specific guidelines for the Subsidiaries and at the same time allow the same effective exercising of the various forms of coordination and control on the same Subsidiaries.

## **ARTICLE 10 (Reporting vis-a-vis the Board of Directors)**

- 10.1. Without prejudice to additional reporting obligations required by laws and regulations

from time to time, the Committee, as represented by the Chairman of the Committee or, in the event of his absence or inability to attend, of the eldest independent member shall inform the Board of Directors of the activity performed at the first available meeting and every sixth months inform the Board of Directors, on activities performed during the period and main results of the same

10.2. The Committee periodically audits the adequacy of this Regulation and submits any amendments or additions to the Board of Directors.

