

REGULATIONS OF THE ITG *Holding S.P.A.* CONTROL, RISK AND RELATED PARTIES TRANSACTIONS COMMITTEE¹

These Regulations, approved by the Board of Directors on 4 August 2016, govern the composition and appointment, method of operation, duties, powers and means of the Control, Risk and Related Parties Transactions Committee of ITG *Holding S.p.A.* (“**Committee**”), an internal committee of the Board of Directors of ITG *Holding S.p.A.*

The Committee was created by resolution of the Board of Directors pursuant to art. 13.9 of the Articles of Association, in accordance with the Corporate Governance Code approved by the Corporate Governance Committee (the “Corporate Governance Code”).

Article 1 - Composition and appointment

1.1. The Committee shall be composed of three independent non-executive directors, as defined in the Corporate Governance Code.

1.2. At least one member of the Committee must possess adequate experience of finance and accounting, or of risk management, assessed by the Board of Directors at the time of their appointment.

1.3. The Board of Directors shall appoint and revoke the members and the Chairman of the Committee

Article 2 - Operation

2.1. The Chairman shall call and manage the meetings. If absent or in case of his or her impediment, the oldest member of the Committee present shall preside. The Head of Internal Audit shall act as Secretary of the Committee and assist the Chairman in the execution of his or her functions.

2.2. The members of the Board of Statutory Auditors shall be invited to attend the meetings of the Committee; the Chairman of the Company, the Director in charge of the

¹ On 12 September 2016 ITG *Holding S.p.A.* has changed its company name in Italgas S.p.A.

internal control and risk management system may attend, at the invitation of the Committee; other subjects who are not members of the Committee may also intend, at the invitation of the Committee, in order to provide information and express their pertinent evaluations regarding single items on the agenda.

2.3. The Committee shall meet with the frequency needed to discharge its duties, at least once every three months and, in any event, when a meeting is necessary or opportune.

2.4. The call notice shall be sent by the Secretary, by uploading it to the “Secure Area”. If this is not possible, the notice shall be sent by email, as instructed by the Chairman of the Committee, as a rule at least five days before the date set for the meeting. If the Chairman of the Board of Statutory Auditors should consider it necessary, he may ask the Chairman of the Committee to call a meeting of the Committee. In case of need and urgency, said notice may be sent at least 12 hours before the time set for the meeting. The notice shall be sent for information to the Chairman and the Director in charge of the internal control and risk management system of the Company, the Chairman of the Board of Statutory Auditors and another Statutory Auditor indicated by the latter, and to the Secretary of the Board of Directors.

Before its transmission, assisted by the Secretary of the Committee, the Secretary of the Board of Directors shall check that the matters to be dealt with relating to the meetings of the Board of Directors have been included in the agenda

2.4. The notice shall contain an indication of the location, normally the Company’s registered offices, and the date and time of the meeting, as well as a list of the matters to be dealt with. The Committee may meet by videoconferencing or teleconferencing, provided that all participants can be identified, have access to the documentation under consideration and are able to follow the discussion and participate in real time in the

discussion of the topics considered. The meeting shall be considered to have been held in the location where the Chairman of the Committee is.

2.5. Any documentation on the matters on the agenda shall be made available to the members, by the Secretary, at least five days before the date of the meeting, apart from in exceptional cases. The documentation shall be made available to the members by the Secretary, in the “Secure Area” reserved to the Committee, and may be sent by e-mail to the addresses indicated by the members of the Committee as well as in the other forms agreed. In addition to the legal obligations regarding sensitive information, the members of the Committee are required to maintain the confidentiality of the data and information they receive in the exercise of their duties.

2.6. The Committee shall be validly constituted in the presence of a majority of the serving members, and resolves by absolute majority of those present. In case of deadlock the Chairman shall have the casting vote.

2.7. The Secretary shall draw up the minutes of the meetings. The draft minutes shall be submitted to the Chairman of the Committee and the other members for any comments. The minutes shall be signed by the Chairman of the meeting and by the Secretary, and are transmitted to the members of the Committee, the Chairman, and the Director in charge of the internal control and risk management system, the members of the Board of Statutory Auditors and the Secretary of the Board of Directors. As a rule, the minutes shall be approved at the next meeting of the Committee.

Article 3 - Duties

3.1. The Committee has the duty of providing proposals and advice to the Board, to support it through adequate analysis for decisions regarding the internal control and risk

management system as well as decisions regarding the approval of the periodic financial reports.

The committee shall have the following functions:

- a) to evaluate, together with the Officer responsible for the preparation of financial reports and having consulted the independent auditing firm and the Board of Statutory Auditors, the proper use of accounting standards and their consistency for the purposes of preparing the consolidated financial statements;
- b) to express opinions on specific aspects inherent to the identification of the main risks faced by the Company;
- c) to undertake the additional duties assigned to it by the Board of Directors in relation to transactions in which directors or statutory auditors have an interest and with related parties, in accordance with the terms and methods set out in the procedure on Transactions in which Directors and Statutory Auditors are interested parties and transactions with related parties;
- d) to examine the periodic reports relating to the evaluation of the internal control and risk management system, as well as those of particular importance prepared by the Head of *Internal Audit*;
- e) to monitor the independence, suitability, effectiveness and efficiency of the *Internal Audit* Department;
- f) it may ask the Head of Internal Audit to carry out audits of specific operational areas, giving notice of this to the Chairman of the Board of Statutory Auditors, the Chairman of the Board of Directors and the Director in charge of the internal control and risk management system;

- g) to report to the Board, at least every six months, upon approval of the annual and half-yearly financial report, on the activity it carries out and the adequacy of the internal control and risk management system; in any event, after each of its meetings, the Committee shall update the Board of Directors with a communication at the first available meeting, on the topics discussed and on the comments, recommendations and opinions formulated therein;
- h) to express its opinion of the proposals put forward by the Director in charge of the internal control and risk management system, in agreement with the Chairman, to the Board of Directors, (i) relating to the appointment, dismissal and compensation of the Head of Internal Audit, in line with the Company's compensation policies; and (ii) with a view to ensuring that the latter has sufficient resources to fulfil their responsibilities;
- i) to support, with adequate preliminary activities, the Board of Directors assessments and resolutions on the management of risks arising from detrimental facts which the Board of Directors may have been become aware of or that the Committee itself has reported to the Board of Directors.

3.2. the Committee shall express its opinion to the Board of Directors in order to:

- 1. i) define the guidelines for the internal control and risk management system, so that the main risks facing the Company and its Subsidiaries can be identified correctly and adequately measured, managed and monitored, as well as (ii) determine to what extent these risks can be managed using a policy that is consistent with the strategic objectives identified;

2. once a year, assess the adequacy of the internal control and risk management system, given the characteristics of the Company and the risk profile assumed, and also its efficacy;
3. periodically approve, at least once a year, the audit schedule prepared by the Head of *Internal Audit*;
4. describe, in the Corporate Governance and shareholding structure Report, the main features of the internal control and risk management system, and its evaluation of the adequacy of the system;
5. assess the results set out by the external auditors in their letter of suggestions, if any, and in the report on fundamental issues that emerged during their audit.

3.3. The Committee shall receive from the Head of Internal Audit periodic reports containing adequate information on their activity, the ways in which risk management is carried out, and on respect for the plans defined to contain them. These reports shall contain an assessment of the suitability of the internal control and risk management system.

3.4. The Board of Statutory Auditors and the Committee shall promptly exchange information relevant for the performance of their duties.

At least every three months, the Board of Statutory Auditors and the Committee shall receive and collect from the control departments (Internal Audit, Risk Management, Compliance) and the independent auditing firm, relevant information on the controls carried out and on any weaknesses or critical points or anomalies encountered.

3.5. The Board of Statutory Auditors and the Committee shall meet at least every three months to evaluate the results that have emerged. The Committee shall report on the results of the control activities undertaken to the Board of Directors.

The Committee shall meet the Supervisory Body and Guarantor of the Code of Ethics, together with the Board of Statutory Auditors, at the review of the Body's half-yearly report.

Article 4 – Powers and means

4.1. The Committee shall be entitled to access the company departments and information needed to execute its duties.

4.2. The Committee shall be equipped by the Board of Directors with the resources necessary to carry out its duties; specifically, it may, within the terms established on a case-by-case basis by the Board of Directors, have recourse to external consultants that are not in situations that might compromise their independence of judgement.