



Press Release

GAROFALO HEALTH CARE S.P.A.: CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE REPORT - OPINION OF THE CONTROL AND RISKS COMMITTEE ON THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

Rome, July 1, 2019 – Garofalo Health Care S.p.A. (“GHC” or the “Company”), supplementing that announced on May 20, 2019 concerning the corporate governance and ownership structure report of May 20, 2019, with particular regard to the paragraph at pages 55 and 56 concerning the Company’s internal control and risk management system, states that the opinion contained in the periodic report prepared by the Control and Risks Committee of April 11, 2019 reports the following:

“The Control and Risks Committee of GHC indicates, as per point 7.C.2 lett. f) of the Self-Governance Code, that, at the reporting date, the company is proceeding with the approval of the policy which contains the “Guidelines of the internal control and risk management system” to be applied to the parent company and all Group subsidiaries.

These Guidelines, together with the activities to be initiated following the self-assessment questionnaire for all group structures and the relative controls by all ICRMS actors, if correctly implemented, shall lay the foundations for an effective GHC Group internal control and risk management system.

This opinion is based on the activities performed and the elements acquired during the meetings held between November 27 and the reporting date, and on the findings and assessments presented in the Reports issued, for that within their respective scopes, by the GHC Internal Audit Manager, by the Executive Officer for Financial Reporting, the independent audit firm, the Director in charge of the ICRMS and the GHC Supervisory Board.

The Committee recommends to the company to:

- *promptly complete the risk assessment of all Group subsidiaries, in order to identify the correct ICRMS improvement measures;*
- *identify without delay an internal staff member to appoint as the internal contact point of the Internal Audit Function and support the development of knowledge and expertise within the company.”*

Having acquired the reports of the Internal Audit Manager, the Supervisory Board and the Executive Officer for Financial Reporting, on April 18, 2019, the Board of Directors of GHC reviewed the above periodic report of the Control and Risks Committee and the report of the Director in charge of the internal control and risk management system, and approved *“(i) the procedure containing the Guidelines for the internal control and risk management system; (ii) the implementation of the recommendation of the Control and Risks Committee concerning the speedy completion of the risk management phase at all Group subsidiaries; and (iii) the assessment of the internal control and risk management system as effective and adequate in terms of the company’s characteristics and the risk profile assumed”.*

At the same meeting, the Control and Risks Committee stated that the additional recommendation concerning the Internal Audit Function within the opinion regarded the hiring of a new staff member with specific duties in this regard, with a view to the function returning in-house. In this regard, the Board of Directors, having consulted the Chief Executive Officer, did not adopt this recommendation as the decision to outsource this Function to Marsh Risk Consulting was taken by the same Board on December 21, 2018 in a careful and knowledgeable manner, in the consideration that such would ensure better results, with the role executed by a leading operator with multi-disciplinary professional skills and experience.

In addition, the above conclusions were reported in a note to the Report of the Board of Statutory Auditors to the Shareholders’ Meeting, made available to the public at the registered office of GHC in Rome, Piazzale delle Belle Arti 6, on the storage mechanism 1info (www.1info.it) and on the Company website at www.garofalohealthcare.com, Governance/Shareholders’ Meeting section.



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The GHC Group

The GHC Group, listed on the Milan Stock Exchange, is an Italian accredited private healthcare leader operating through 21 healthcare clinics demonstrating excellence, located in Italy's strongest regions and offering a comprehensive range of services covering all areas of healthcare thanks to diversified specialties, the use of cutting-edge technologies and highly-qualified personnel. The Group in fact operates across six regions in Northern and Central Italy (Piedmont, Veneto, Emilia Romagna, Liguria, Tuscany and Lazio), covering in the hospital sector acute admissions, long hospitalization, post-acute rehabilitations and outpatient services (the "Hospital Sector"), and in the regional and social-care sector covering residential admissions and district outpatient services (the "Dependency Care Sector").

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FOR FURTHER DETAILS:

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