

SANLORENZO

REGULATION OF THE CONTROL, RISKS AND SUSTAINABILITY COMMITTEE

Sanlorenzo S.p.A.

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LEGAL NOTICE

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1. Introduction

- 1.1 This regulation (the "**Regulation**") regulates (i) the composition, (ii) the duties and (iii) the functioning of the Control, Risks and Sustainability Committee (the "**Control, Risks and Sustainability Committee**" or the "**Committee**") of Sanlorenzo S.p.A. (the "**Company**"). The Committee was established - also in implementation of the recommendations of the Corporate Governance Code of listed companies prepared by Borsa Italiana S.p.A. (the "**Corporate Governance Code**") - by resolution of the board of directors adopted on 24 October 2019 and with effect from the trading start date of the Company's shares.

2. Appointment, removal and composition of the Control, Risks and Sustainability Committee

- 2.1 The members of the Control, Risks and Sustainability Committee and its chairman are appointed by resolution of the board of directors.
- 2.2 The Control, Risks and Sustainability Committee is made up of three directors, of which at least two must have the requirements of independence envisaged by Article 147-ter, paragraph 4 of Italian Legislative Decree no. 58 dated 24 February 1998 as well as recognised by the board of directors in possession of the requirements of independence envisaged by the Corporate Governance Code.
- 2.3 In any case, the chairman of the Committee is chosen among the independent directors.
- 2.4 At least one member of the Committee possesses adequate experience in accounting and financial matters, the assessment of which is deferred to the board of directors at the time of appointment.
- 2.5 The directors accept the role of members of the Control, Risks and Sustainability Committee only when they believe that they can dedicate the necessary time to carry out diligently their duties.
- 2.6 Unless otherwise decided by the board of directors at the time of appointment, the duration in office of the members of the Control, Risks and Sustainability Committee is equated to that of the board of directors to which the members belong. The termination for any reason of the role of director involves automatically and immediately the removal from the Committee.
- 2.7 The board of directors may revoke, at any time, the members and chairman of the Control, Risks and Sustainability Committee; they may not make claims or invoke rights in relation to the revocation.
- 2.8 The board of directors establishes, at the time of appointment or even later, the budget assigned to the Control, Risks and Sustainability Committee to carry out its functions and duties.
- 2.9 Any fee for participating in the Control, Risks and Sustainability Committee is established by the board of directors. In any case, expenses reasonably incurred and documented for the exercise of the role will be reimbursed.

3. Functions of the Control, Risks and Sustainability Committee

- 3.1 The Control, Risks and Sustainability Committee has functions of investigative, propositional and consultative nature towards board of directors (i) in the assessments and decisions of the board of directors itself relating to the internal control and risk management system, as well as on the approval of the periodic financial reports, and (ii) in the assessments and decisions of the board of directors itself relating to sustainability.
- 3.2 The Control, Risks and Sustainability Committee, in particular, assists the board of directors, liaising with the other company bodies involved each time:
- (i) in defining 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, adequately measured,

managed and monitored, and in determining the criteria of compatibility of those risks so that the Company management is coherent with the strategic objectives identified;

- (ii) in verifying, periodically and at least annually, the adequacy and effectiveness of the internal control and risk management system with respect to the Company's characteristics and the risk profile assumed, as well as its effectiveness;
- (iii) in approving, periodically and at least annually, the audit plan prepared by the head of internal audit;
- (iv) in describing, in the corporate governance report, the main characteristics of the internal control and risk management system and the coordination between the entities involved, and in expressing the assessment of adequacy of the internal control and risks management system;
- (v) in evaluating the results illustrated in the reports of the auditing company and in any letter of suggestions and in the report on the fundamental issues emerging during the statutory audit;
- (vi) in appointing and revoking the head of the internal audit function and in guaranteeing that he/she is equipped with adequate resources for the performance of his/her duties and responsibilities, or in entrusting to an entity external to the Company the internal audit function, as a whole or for segments of operations;
- (vii) in defining the remuneration of the head of the internal audit function, or of the entity external to the Company to which the internal audit function is entrusted, as a whole or for segments of operations, coherently with the company policies.

3.3 In exercising the functions indicated above, the Control, Risks and Sustainability Committee, in particular:

- (i) assesses, together with the officer responsible for preparing the corporate accounting documents and having heard from the statutory auditor and the board of statutory auditors, the correct use of the accounting standards and their homogeneity for the purposes of preparing the consolidated financial statements;
- (ii) expresses opinions on specific aspects relating to the identification of the main company risks;
- (iii) 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;
- (iv) monitors the autonomy, adequacy, effectiveness and efficiency of the internal audit function;
- (v) may ask the internal audit function to carry out audits on specific operating areas, giving simultaneous communication thereof to the chairman of the board of statutory auditors;
- (vi) reports to the board of directors, at least half-yearly, on the occasion of the approval of the annual and half-yearly financial report, on the activity performed as well as on the adequacy of the internal control and risk management system;
- (vii) supports, with adequate preliminary activity, the assessments and decisions of the board of directors on the management of risks deriving from prejudicial events of which the board of directors has become aware;
- (viii) expresses an opinion on any resolution of the board of directors in relation to the internal control and risk management system and the internal audit;
- (ix) assists the board of directors in activities concerning the preparation of the individual declaration of non-financial nature required by Italian Legislative Decree no. 254 of 30 December 2016, both in the circumstance where the Company is required to prepare it and in the case where the Company decides on a voluntary basis to prepare it despite not being required to do so;
- (x) performs the additional duties attributed to it by the board of directors and by existing regulations.

4. Functioning methods of the Control, Risks and Sustainability Committee

- 4.1 The Control, Risks and Sustainability Committee meets upon the convocation of its chairman each time he/she deems it opportune, and in any case at least half-yearly, or when two of its members, or the chairman of the board of statutory auditors, or the director responsible for the internal control and risk management system or the chairman of the board of directors makes written request to the chairman of the Committee.
- 4.2 The Control, Risks and Sustainability Committee, at the proposal of its chairman, may designate permanently a secretary of the Committee, who need not be member.
- 4.3 The chairman of the board of statutory auditors or another standing auditor designated by him/her attends at meetings of the Control, Risks and Sustainability Committee; the other statutory auditors may also participate.
- 4.4 The directors, heads of the company functions of the Company and of the subsidiaries, or other persons whose presence may be of assistance for the best conduct of the functions of the Committee itself, who are invited by its chairman, may also attend at meetings of the Control, Risks and Sustainability Committee.
- 4.5 The Control, Risks and Sustainability Committee is called via registered letter, certified email, fax or ordinary email, sent to the members of the Committee and to the auditors at least three days before (in urgent cases, by telegram, certified email, fax or email sent at least twenty-four hours before) the date of meeting, to the domicile or address as communicated to the Company by each member and standing auditor in office. The notice must contain the indication of the day, time and location of the meeting and the agenda.
- 4.6 Meetings of the Control, Risks and Sustainability Committee are chaired by its chairman or, in his/her absence or if he/she is unable to attend, by the member chosen by the attendees.
- 4.7 Meetings of the Control, Risks and Sustainability Committee may even be held by means of telecommunication, provided that the requirements stated by Article 17.4 of the Company's by-laws for meetings of the board of directors held by way of means of telecommunication are respected.
- 4.8 Minutes must be taken of meetings of the Control, Risks and Sustainability Committee. The minutes are prepared and signed by the chairman of the meeting and by the secretary, who, if not appointed in accordance with above Article 4.2, is designated by the chairman of the meeting and may even be chosen from outside the members of the Committee; the minutes are filed with the records of the Company.
- 4.9 In order for meetings of the Control, Risks and Sustainability Committee to be valid, the presence of the majority of its members in office is required; to calculate the majority for resolutions, the abstaining directors are not considered as present. In the case of equal votes, the vote of the chairman of the Committee, if present, prevails.
- 4.10 For anything not envisaged by the regulation, the rules of the by-laws of the Company, which regulate meetings of the board of directors, shall apply to meetings of the Control, Risks and Sustainability Committee *mutatis mutandis*.

5. Prerogatives of the Control, Risks and Sustainability Committee

- 5.1 For the conduct of its functions and duties, the Control, Risks and Sustainability Committee has the right to access the necessary company information and functions and it may use, at the Company's expense and within the limits of the budget approved by the board of directors in accordance with Article 2.8 above, external consultants who are not in situations that compromise their independence. The Committee shall check in advance that the external consultant is not in situations that compromise his independence of judgment.

6. Amendments to the Regulation

- 6.1 The Control, Risks and Sustainability Committee checks periodically, but at least annually, the adequacy of the Regulation and submits any amendments or additions for the examination of the board of directors.