

**REGULATIONS OF THE  
AUDIT AND RISK COMMITTEE  
OF  
AQUAFIL S.P.A.**

Approved by the Board of Directors of Space3 S.p.A. on 12 September 2017, with effect from the effective date of the merger by incorporation of Aquafil S.p.A. into Space3 S.p.A. (which, concurrently, will change its name to “Aquafil S.p.A.”).

**1. ARTICLE 1**  
**PURPOSE AND SCOPE OF APPLICATION**

- 1.1 These regulations (the “*Regulations*”) govern the composition, duties and functioning of the Audit and Risk Committee of Aquafil S.p.A. (the “*Company*”), set up — in implementation of the recommendations of the Corporate Governance Code promoted by the Corporate Governance Committee for Listed Companies instituted within Borsa Italiana S.p.A. (the “*Corporate Governance Code*”) — by resolution of the Board of Directors passed on 12 September 2017 and with effect from the effective date of the merger by incorporation of Aquafil S.p.A. into Space3 S.p.A. (which, concurrently, will change its name to “Aquafil S.p.A.”) (hereinafter, the “*Audit and Risk Committee*”).

**2. ARTICLE 2**  
**APPOINTMENT AND COMPOSITION**

- 2.1 The members of the Audit and Risk Committee and its chairperson (the “*Chairperson*”) shall be appointed and dismissed by resolution of the Board of Directors.
- 2.2 The Audit and Risk Committee is made up of three Directors meeting the independence requirements imposed under Article 147-ter, paragraph 4, of Legislative Decree No. 58/98 (TUF), as well as under the Corporate Governance Code for Listed Companies. Alternatively, the Audit and Risk Committee shall be composed of non-executive directors, a majority of whom shall be independent. In this latter case, the Chairperson of the Committee shall be chosen from among the independent directors. Moreover, at least one of the members of the Audit and Risk Committee shall have acknowledged experience in accounting and finance, as assessed by the Board at the time of the appointment of the said Committee member.
- 2.3 Upon proposal of the Chairperson, the Audit and Risk Committee shall designate a secretary, who is not required to be a member of the Committee.
- 2.4 Directors shall only accept a seat on the Audit and Risk Committee if they believe that they will be able to devote the necessary time to the diligent fulfilment of their duties.
- 2.5 Unless otherwise decided by the Board of Directors at the time of appointment, the term of office of members of the Audit and Risk Committee shall be equivalent to that of the Board of Directors on which the members sit.

**3. ARTICLE 3**  
**DUTIES**

- 3.1 The Audit and Risk Committee is tasked with assisting the Board of Directors, by conducting fact-finding enquiries, providing advice and putting forward recommendations regarding assessments and decision-making pertaining not only to the internal control and risk management system but also to the approval of periodic financial reports.
- 3.2 The Audit and Risk Committee is also tasked with assisting the Board of Directors in fulfilling its duties relating to (i) the definition of the guidelines of the internal control and risk management system, in order to ensure that the main risks to which the Company and its subsidiaries are exposed are properly identified, adequately measured, managed and monitored, in addition to determining the criteria for the compatibility of the risks thus identified with a sound, prudent management of the Company that be consistent with the strategic objectives identified; (ii) the periodic review (at least once a year) of the adequacy and effectiveness of the internal control and risk management system in the light of the Company’s characteristics and risk profile; (iii) a description, in the corporate governance report, of the main characteristics of the internal control and risk management system and methods of coordination between the parties involved in it, in order to assess its adequacy; (iv) an assessment, in consultation with the Board of Statutory Auditors, of the findings

presented in the independent auditors' reports and any letter of suggestions in the report on fundamental matters identified during the statutory auditing procedure; (v) the management of the risks deriving from adverse events of which the Board of Directors has become aware, with support, through adequate fact-finding activity, for the pertinent assessments and decisions by the Board of Directors; (vi) the approval, at least once a year, of the work plan prepared by the head of the internal audit function, in consultation with the Board of Statutory Auditors and the manager responsible for the internal control and risk management system.

3.3 In assisting the Board of Directors, the Audit and Risk Committee:

- (a) assesses, together with the Manager in charge of preparing the company's financial reports and after having heard the Independent Auditors and the Board of Statutory Auditors, the sound application and consistency of the accounting principles for the purpose of preparing the consolidated financial statements;
- (b) defines the mechanisms of control for verifying observance of delegated powers and periodically monitors their functioning, reporting any anomalies to the Board of Directors in a timely manner;
- (c) expresses opinions on specific aspects pertaining to the identification of the main corporate risks;
- (d) examines the periodic reports concerning the assessment of the internal control and risk management system and those of particular importance drafted by the Internal Audit function;
- (e) monitors the independence, adequacy, efficacy and efficiency of the Internal Audit function;
- (f) may request that the Internal Audit function conducts audits of specific operating areas, simultaneously giving notice thereof to the Chairperson of the Board of Statutory Auditors;
- (g) reports to the Board of Directors, at least every six months, in conjunction with the approval of the annual and half-yearly financial reports, on the activity performed and the adequacy of the internal control and risk management system;
- (h) expresses opinions on the appointment, dismissal, remuneration and budget of the head of the Internal Audit function;
- (i) discharges the additional duties assigned to it by the Board of Directors.

3.4 The Audit and Risk Committee shall enjoy access to the information and company functions necessary for the fulfilment of its duties and may avail itself — at the Company's expense, within the limits of the budget approved by the Board of Directors — of external consultants who are not in situations that compromise their independence of judgment.

#### **4. ARTICLE 4 CALLING, PROCEDURE AND MINUTE-TAKING**

4.1 The Audit and Risk Committee shall meet when convened by its Chairperson, whenever he or she sees fit, but at least every six months, or when requested by two of its members, the Chairperson of the Board of Statutory Auditors or the Chairperson of the Board of Directors.

4.2 The notice of calling, indicating the date, time and place of the meeting and listing the matters to be discussed, accompanied by the information necessary for the discussion, shall be sent by the secretary, as directed by the Chairperson, at least five days prior to the scheduled date of

the meeting. In urgent circumstances, the notice period may be shorter, but never less than 24 hours.

- 4.3 Meetings of the Audit and Risk Committee shall be chaired by the Chairperson, or, if the latter is absent or unable to perform his or her duties, by a member chosen by those present.
- 4.4 The Chairperson of the Board of Statutory Auditors (or another statutory auditor designated by the former) shall take part in meetings of the Internal Audit and Risk Committee. The other statutory auditors may also participate. From time to time, the Chairperson may invite other members of the Board of Directors and Board of Statutory Auditors, independent auditors, heads of functions of the Company and its subsidiaries and other persons whose presence may be helpful to ensuring optimal fulfilment of the Audit and Risk Committee's duties to attend the Committee's meetings.
- 4.5 Meetings of the Audit and Risk Committee may also be held via telecommunications systems, provided that all participants may be identified, their identification is noted in the minutes, and they are able to follow the discussion and participate in real time in deliberations concerning the matters raised, in addition to exchanging documentation, where necessary. In such cases, the meeting shall be considered held in the place where the Chairperson is located, and where the secretary who drafts the minutes is also in attendance.
- 4.6 Meetings of the Audit and Risk Committee shall be documented in minutes. The Chairperson and secretary shall sign the minutes of meetings, which shall be kept by the secretary in chronological order.
- 4.7 The majority of the members of the Audit and Risk Committee currently in office must be present in order for meetings to be valid.
- 4.8 The Audit and Risk Committee shall decide by the absolute majority of its members in office.

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

- 5.1 The Audit and Risk Committee shall verify periodically, but at least annually, that these Regulations are adequate and submit any amendments or additions to them to the Board of Directors for approval.