

**REGULATIONS OF THE
NOMINATION AND REMUNERATION 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 Nomination and Remuneration 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 “**Nomination and Remuneration Committee**”).

2. ARTICLE 2
APPOINTMENT AND COMPOSITION

- 2.1 The members of the Nomination and Remuneration Committee and its Chairperson (the “**Chairperson**”) shall be appointed and dismissed by resolution of the Board of Directors.
- 2.2 The Nomination and Remuneration Committee shall be composed of three directors who meet the independence requirements laid down in Article 147-ter, paragraph 4, of Italian Legislative Decree No. 58/98 (the “**TUF**”) and set forth in the Corporate Governance Code. Alternatively, the Nomination and Remuneration 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. The members of the Committee must have skills functional to the performance of the duties that they are called on to fulfill.

At least one member of the Nomination and Remuneration Committee must have adequate experience in finance and remuneration policies in accordance with Article 6.P.4 of the Corporate Governance Code. The Board of Directors shall be responsible for assessing such experience at the time of the appointment.

- 2.3 On proposal of the Chairperson, the Nomination and Remuneration 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 Nomination and Remuneration Committee if they believe that they will be able to devote the necessary time to the diligent fulfillment of their duties.
- 2.5 Unless otherwise resolved by the Board of Directors at the time of appointment, the term of office of members of the Nomination and Remuneration Committee shall be equivalent to that of the Board of Directors on which the members sit.

3. ARTICLE 3
DUTIES IN THE CAPACITY OF NOMINATION COMMITTEE

- 3.1 In its role as nomination committee, the Nomination and Remuneration Committee shall be responsible for supporting the Board of Directors with its investigative, propositional and consultative functions. More specifically:
- (i) supporting the Board of Directors in devising and drafting any criteria for the designation of the persons set out in point (ii) below;
 - (ii) expressing opinions to the Board of Directors regarding its size and composition and expressing recommendations with regard to the professional skills necessary within the Board, as well as on the following issues:

- (a) the maximum number of appointments as director or statutory auditor in other companies which may be considered compatible with effective performance of the role of director of the Company, also taking account of participation in the various Board committees. To this end, the committee shall identify general criteria specific to the commitment required by each role (executive, non-executive and independent Director), while also considering the nature and size of the companies at which the positions are held, and whether the companies belong to the Company's Group; it shall also conduct investigations pertaining to the related periodic verification and assessments;
- (b) assessment on the merits of all situations and problems facing the Board of Directors with regard to the authorization of the Shareholders' Meeting to derogate from the prohibition of competition established by Article 2390 (prohibition of competition);
- (iii) providing the Board of Directors with its assessments regarding the appointment of executives and members of the Company's boards and committees, as proposed by the Chief Executive Officer and/or the Chairperson of the Board of Directors, whose appointment falls within the Board of Directors' purview, and supervising the related succession plans. Where possible and appropriate, in light of the ownership structure, proposing succession plans for the Chief Executive Officer to the Board of Directors;
- (iv) on proposal by the Chief Executive Officer, examining and assessing the criteria governing succession plans for the Company's key management personnel;
- (v) proposing candidates for the position of director to the Board of Directors when one or more directors leave office in mid-year (Article 2386, paragraph 1, of the Italian Civil Code), ensuring compliance with the requirements relating to the minimum number of independent directors and the seats reserved for the less represented gender;
- (vi) supervising the annual self-assessment by the Board of Directors and its Committees in accordance with the Corporate Governance Code and conducting the initial inquiry for granting an assignment to an external consultant to conduct the self-assessment; in light of the findings of the self-assessment, submitting opinions to the Board of Directors on the size and composition of the Board of Directors and its Committees, and on the managerial and professional skills and profiles the presence of which on the Board of Directors or its Committees is deemed appropriate for the Board to be able to express its orientation to the shareholders before the new Board of Directors is appointed;
- (vii) conducting inquiries relating to periodic verification of the independent and integrity requirements for directors and the absence of situations of incompatibility of ineligibility involving directors;
- (viii) submitting opinions to the Board of Directors concerning any activities carried out by the directors in competition with the Company;
- (ix) reporting to the next session of the Board of Directors, through the Committee's Chairperson, on the most important matters dealt with by the Committee during its sessions; reporting to the Board of Directors at least every six months, no later than the deadline for approving the annual and half-yearly financial reports, on the activity performed and on the adequacy of the nomination system, during the meeting of the Board indicated by the Chairperson of the Board of Directors.

3.2 The Chairperson of the Nomination Committee shall report to the Board of Directors concerning the Committee's activities.

4. ARTICLE 4
DUTIES IN THE CAPACITY OF REMUNERATION COMMITTEE

4.1 In its role as remuneration committee, the Nomination and Remuneration Committee shall be responsible for supporting the Board of Directors in an investigative, propositional and consultative capacity when conducting assessments and taking decisions regarding the remuneration policy for directors and key management personnel. More specifically:

- (i) submitting proposals to the Board of Directors concerning the adoption of a remuneration policy for directors and key management personnel;
- (ii) periodically assessing the adequacy, overall consistency and effective application of the remuneration policy for directors and key management personnel, while relying, in this latter endeavor, on the information provided by directors with delegated powers; submitting opinions to the Board of Directors on such matters;
- (iii) submitting proposals or opinions to the Board of Directors on the remuneration of executive directors and other directors with particular duties concerning the establishment of performance objectives correlated with the variable component of their remuneration; monitoring the implementation of the decisions taken by the Board of Directors, and in particular verifying that performance objectives have actually been achieved;
- (iv) examining in advance the annual remuneration report to be made available to the public in view of the Annual Shareholders' Meeting held to approve the financial statements;
- (v) discharging the additional duties assigned to it by the Board of Directors.

4.2 The Nomination and Remuneration Committee shall enjoy access to the information and company functions necessary for the fulfillment of its duties and may avail itself of external consultants, at the Company's expense, within the limits of the budget approved by the Board of Directors. In this latter regard, if it intends to avail itself of the services of a consultant in order to obtain information concerning market practices in the area of remuneration policies, the Committee shall first verify that the consultant in question is not in a situation likely to jeopardize the independence of his or her judgment.

4.3 The Chairperson of the Nomination and Remuneration Committee shall report to the Board of Directors concerning the Committee's activities.

5. ARTICLE 5
CALLING, PROCEDURE AND MINUTE-TAKING

5.1 The Nomination and Remuneration 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.

5.2 The notice of calling, indicating the date, time and place of the meeting and the agenda 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.

5.3 Meetings of the Nomination and Remuneration 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.

- 5.4 The Chairperson of the Board of Statutory Auditors (or another statutory auditor designated by the former) shall take part in meetings of the Nomination and Remuneration Committee. The other statutory auditors may also participate. From time to time, upon the Chairperson's invitation, 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 fulfillment of the Nomination and Remuneration Committee's duties may attend the Committee's meetings.
- 5.5 Directors may not take part in sessions where the Nomination and Remuneration Committee drafts proposals concerning their remuneration and to be put before the Board of Directors.
- 5.6 Meetings of the Nomination and Remuneration 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.
- 5.7 Meetings of the Nomination and Remuneration Committee shall be documented in minutes. The Chairperson and the secretary shall sign the minutes of meetings, which shall be kept by the secretary in chronological order.
- 5.8 The majority of the members of the Nomination and Remuneration Committee currently in office must be present in order for meetings to be valid.
- 5.9 The Nomination and Remuneration Committee shall decide by the absolute majority of its members in office.
- 6. ARTICLE 6**
AMENDMENTS TO THE REGULATION
- 6.1 The Nomination and Remuneration 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.