

CORPORATE GOVERNANCE RULES

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1. INTRODUCTION

1.1 Foreword

Rosetti Marino S.p.A. is convinced that the creation of value for the Shareholders must be obtained constantly pursuing not only the corporate purpose but also the following important objectives:

- continuous prevention and reduction of risks to Workers' health and safety in the workplace both in Italy and abroad;
- adoption of specific precautions required by the rules of "best practices" and by the Italian and Local Authorities responsible for vaccinations and personal safety, including choices regarding logistics, accommodations and means of transport, in those countries in which these types of risk and the related regulations and recommendations are made formally known to the Italian Republic's Foreign Office, also via its website;
- scrupulous compliance with the requirements of all current regulations concerning Workers' security;
- continuous improvement of the environmental protection and the sustainability of the activities carried out;
- transparent, correct behaviour towards all stakeholders, whether they be Shareholders, employees, suppliers, clients, industrial and financial partners, as well as any other individual or collective group interacting with Rosetti Marino S.p.A. and its Group.

It is also the conviction of Rosetti Marino SpA's corporate base that the creation of value for the Shareholders is not merely a short-term goal (the financial year), but also, and above all, it is a mid-to-long-term goal; this objective shall be pursued by making investments to always keep the Company vibrant and modern, as this will benefit both the shareholders and all stakeholders.

The General Shareholders' Meeting therefore believes it is important to clearly define the series of Values which Rosetti Marino S.p.A. acknowledges, accepts, shares and pursues, as well the set of responsibilities which the Company undertakes internally and externally, so as to ensure that all its business activities are carried out in compliance with current law, with fairness and in good faith and in observance of the legitimate interests of all the stakeholders.

These Values are established in Rosetti Marino SpA's Code of Ethics, which in its version in force from time to time represents an integral part of this document.

The observance of the Code of Ethics, monitored by the Board of Directors and by the Top Management of the Company, is required of all those which operate within Rosetti Marino SpA, whether they are Directors, Managers, Employees, Consultants, Attorneys, Appointees and/or other functions of said Company.

1.2 Purpose and contents

The purpose of this document is the collation of the conceptual governance benchmarks of the Company and of the main rules of the bodies on which its governance is based, aimed at guaranteeing that the decision-making processes take place clearly, transparently and with control mechanisms which suitably safeguard all the legitimate stakeholders vis-à-vis the Company.

Therefore, for the purpose of ensuring Rosetti Marino S.p.A. governance constantly in keeping with the business dimensions and the conditions of the markets in which it operates, by means of this document the Company intends to lay down the rules which define the relationships and

interrelationships between the internal stakeholders (including management), the external stakeholders (including the shareholders), the Board of Directors and Senior Management and also provide general indications on the key functions of the Company and on the respective duties and roles.

The starting points of this document are taken from the “Corporate Governance Code” issued in the July 2014 version by the Committee for the Corporate Governance of listed companies of Borsa Italiana S.p.A.; thus since many of the principles expressed in said Code have been adopted as the basis for defining roles and functions of the governance bodies of Rosetti Marino S.p.A..

The main bodies representing the shareholding structure are also specified and described in this document, along with those entrusted with the management of the company, those supporting the management and those specifically tasked with prevention, supervision and control.

The following is established in these rules for each of the Bodies:

- who establishes it
- the composition
- the areas of activity, the duties and the powers delegated
- the most significant functioning rules
- the methods of relating with the other bodies

1.3 Updating and maintenance of the Corporate Governance Rules

In the last six months of its three-year mandate, the Board of Directors - upon the proposal of its Chairman and according to the instructions received by the Internal Audit Unit - reviews and possibly up-dates the version of the current Corporate Governance Rules, so as to submit this up-date to the Shareholders' Meeting.

With regard to the activities concerning the handling, conservation and divulgation of this document, the Chairman avails himself of the Legal and General Affairs Service of the Company.

2. ROSETTI MARINO S.p.A. and its GROUP

ROSETTI MARINO S.P.A. is a company which at the Ravenna Chamber of Commerce emerges as having been founded in 1925.

After decades of constant progressive growth and consolidation, Rosetti Marino S.p.A. is today contemporaneously:

- both an Operating Company, active in plant engineering, industrial constructions and services (mainly the energy area) as well as shipbuilding and ship repair/conversion;
- and an Operational Holding Company or Parent Company of a Group of national and foreign subsidiary or investee Companies (the “Rosetti Marino Group”), Companies which for the strategies adopted so far mainly operate as follows:
 - in Italy: via activities complementary to those of the Parent Company;
 - abroad: via activities comparable to those of the Parent Company, generally carried out with the support of said Parent Company, as well as - at times - with the support of the

Local Partners.

The Rosetti Group, as described above briefly, is therefore a complex structure and the current trend of the markets is bringing an increasingly consistent increase of the foreign activities within the Group, with consequent additional complexities.

The governance of Rosetti Marino S.p.A. and its group of Companies therefore requires, from said Parent Company, an organisation which is also suitable for overseeing the Subsidiary Companies and monitoring, technologically guiding and supporting both these Subsidiary Companies and also those merely Invested in with numerous Specialist Services in various sectors (Management Control, Finance and Currency, Corporate, Accounts and Tax-related Matters, Organisation, HSE, Security, Logistics and Transport, ICT as well as Sales, Purchasing and Operations).

In order to carry out these governance roles, the dealings between the Senior Management of the Parent Company and the Members of the Board of Directors of the Subsidiary and Investee Companies expressed by the Parent Company will have to be disciplined by means of methods and criteria particularly heedful of the following aspects:

- assignment and revocation of senior roles and delegated powers;
- general lines on the company management, development, organisation policies, etc.;
- particular policies to pursue on specific aspects;
- monitoring, control and any corrective action to be undertaken.

In order to explicitly acquaint all Rosetti staff with the dealings which will have to be maintained between the Parent Company and each individual company in its Group, as and when appropriate it will be necessary to ascertain whether to draw up, for each Investee Company, an Outline (to be defined on the basis of a standard) describing the dealings between the Parent Company and said Investee.

3. THE SHAREHOLDERS AND THE SHAREHOLDERS' MEETING

●● The Shareholders of Rosetti Marino S.p.A.

As of the date of approval of this document, the share capital of Rosetti Marino S.p.A. is represented by four million shares with a par value of Euro 1 each, made up as follows:

– Rosfin S.p.A.	€	2,247,600
– Saipem s.a.	€	800,000
– Cosmi Holding S.p.A.	€	700,000
– Rosetti Marino S.p.A.	€	200,000
– La Cassa di Ravenna S.p.A.	€	50,000
– Others	€	2,400
TOTAL		€ 4,000,000

Rosfin S.p.A. is therefore the holder of the absolute majority of the Share Capital of Rosetti Marino S.p.A. and therefore has control over the same.

It is therefore reasonable to envisage that whilst Rosfin S.p.A. holds control over the same, the majority of the Members of Rosetti Marino SpA's BoD will always be made up of Directors expressed or proposed by Rosfin S.p.A. and - therefore - the business policy lines of Rosetti Marino S.p.A. will be established, or will have to be at least agreed on, by Rosfin S.p.A.

●● The Shareholders' Meeting of Rosetti Marino S.p.A.

The Shareholders' Meeting is the occasion envisaged by the law for encounter between Shareholders and Directors.

Duties and powers of Rosetti Marino SpA's Shareholders' Meeting:

- it operates in accordance with the matters established by the law and the Articles of Association as and when in force;
- it holds its meetings in observance of the "Rosetti Marino S.p.A. General Meeting Regulations" as and when in force;
- it appoints the Board of Directors of the Company on the basis also of the candidates submitted by the Shareholders and any proposals from the A&RC for the position of Independent Director;
- it meets at least once a year for the annual approval of the financial statements, favouring - insofar as possible - policies for the setting aside of part of the net profits, both for the self-funding of investments and innovation of the Company, and for provisions which may support the Company during difficult periods;
- it defines, as per the Articles of Association, upon the proposal of the Appointment and Remuneration Committee as more fully specified in Part 10, section 10.3 point 1, the following:
 - ✓ the fixed fee equal for all the Members of the Board of Directors due to each one of them in relation to the sole office of Director;
 - ✓ the total amount of the fixed fees due to the Members of the BoD with roles or mandates, leaving said BoD with the task of dividing up said total amount between the various recipients, on the basis of the respective roles and powers;
 - ✓ the variable components of fees and remuneration (RVI, parameters, calculation mechanisms, weights and objectives) for the Members of the BoD with roles and powers;
 - ✓ the fees, to be assigned at the time of the appointment, to the Members of the Board of Statutory Auditors;
 - ✓ the fees for the Members of the SB - Supervisory Body - and the Head of Internal Auditing;
- decides each year with regard to the dividends to be paid out on the basis of the proposal of the BoD;
- upon the proposal of the Chairman, it periodically examines the proposals to up-date the "Corporate Governance Rules" (also see section 5.2.r).

4. TYPE OF GOVERNANCE OF ROSETTI MARINO S.p.A.

The governance of Rosetti Marino S.p.A. is based on the traditional management model entrusted to the Board of Directors.

The monitoring and control of each type of business activity is entrusted to the Internal Auditing Unit, while the supervisory and accounts control functions are assigned, respectively, to the Board of Statutory Auditors and an Independent Auditor; the "231 SB" carries out the prevention, supervision and control functions on the administrative liability of the Company envisaged by Italian Legislative Decree No. 231/2001.

The Board of Directors may grant part of its powers by means of specific mandates to an

Executive Committee, to the Chairman, to the Chief Executive Officer, as well as to one or more of its Members, which in this case undertake the guise of Appointed Directors.

The Board of Directors may, in addition to the Executive Committee, also establish other committees with advisory and proposal functions on specific matters; the directors without mandate and outside consultants or other parties competent with regard to the questions for which the Committee is established can take part in these Committees, as designated by the BoD or appointed by the Chairman.

All the bodies listed above are more fully described further on in the document.

5. THE BOARD OF DIRECTORS (BoD)

Rosetti Marino S.p.A. is managed by a Board of Directors which meets periodically, according to the provisions of the law, in any event at least once every six months, or with greater frequency when required by the management needs of the Company.

Reasonably in advance with respect to each of its meetings, the Directors will have to be provided with clear disclosure documentation on the business to be dealt with.

5.1 Composition of the BoD

The Board of Directors is made up of the number of Directors fixed by the Shareholders' Meeting, also in observance of the Articles of Association and any shareholders' agreements existing from time to time.

The Board of Directors may be made up of individuals who operate in-house (Executive Directors) and by individuals who do not operate in-house (Non-executive Directors).

Among the Non-executive Directors, some may be Independent Directors, Directors in other words who do not have, nor have recently had - even indirectly - dealings with Rosetti Marino S.p.A. or with its Parent Company or with subsidiary companies of Rosetti Marino S.p.A. or with other partners of Rosetti Marino S.p.A., such as to be potentially conditioned with regard to independence and autonomous judgement.

With regard to Boards of Directors which have a number equal to or greater than 9 (nine) Members, the Shareholders' Meeting will try to find appointment solutions so that at least one of the Directors has the personal characteristics and is designated in such a way as to be able to be considered an Independent Director.

In this section and the subsequent section 10.3, "independence" is understood to be the absence of situations which may lead the individual to undertake detrimental or "biased" positions.

The Directors are elected by the Shareholders' Meeting for mandates no longer than three years and can always be reappointed on each mandate expiry.

5.2 Duties and areas of activities of the BoD

Besides all the powers which the law and the Articles of Association assign it, the Board of Directors has the following duties and areas of activities:

- a) appoints the Chief Executive Officer, the S.B. and its Chairman, the Head of Internal Auditing; it can also appoint any other function - also including its Chairman if the Shareholders' Meeting has not already taken steps to do so - whose appointment is not reserved exclusively by law or by the Articles of Association for the Shareholders' Meeting or the other Corporate Bodies;
- b) establishes the Executive Committee and the Appointment & Remuneration Committee, by means of the appointment of the respective members, the possible assignment of the related fees upon the proposal of the Appointment & Remuneration Committee with regard to just the Executive Committee, the approval of the respective regulations and the definition - for each Committee - of the respective mandates in observance of the Corporate Governance Rules;
- c) grants and revokes powers delegated to the Executive Committee, to the Chairman, to the Chief Executive Officer and to the Directors with powers, defining the limits and the formalities for exercising the same, avoiding the concentration of several corporate offices on just one person; establishes the frequency - in any event no longer than six months - with which the appointed bodies must report to the Board of Directors on the activities carried out by virtue of the respective powers;
- d) defines the policies which the Company must pursue, on the basis of both the proposals of the CEO and the Chairman or the other Members of the same and on the basis of the results of the discussion and the exchange of ideas between the Members of the Board of Directors on said proposals; furthermore, periodically checks the implementation of the budgets and the policies adopted, as well as the results obtained;
- e) on the basis of the business placed on the Agenda as and when, makes autonomous decisions, also supplementing or correcting the decisions legitimately already adopted by said BoD, by the Executive Committee and/or by other Appointees on any aspect which is not the exclusive pertinence of the Shareholders' Meeting;
- f) examines and approves the strategic, industrial and financial plans of the company submitted for its examination by the Chairman and/or by the CEO and also - in its summary form - the Annual Budget;
- g) assesses the suitability of the organisational set-up and pursues the competitiveness of the structure of Rosetti Marino S.p.A. and the other Group companies, the business decisions-making processes and the internal communication plans drawn up by the respective Manager, with particular reference to the internal control systems and the handling of conflicts of interest;
- h) assigns the capacity of "Employer" of the Company as defined by Italian Legislative Decree No. 81/2008 and its subsequent additions and amendments, to an Appointed Director or to one or more suitable Parties - also extraneous to the Board of Directors - as will emerge as most appropriate in observance with the law, also in relation to the production and organisational needs of the Company;
- i) establishes, upon the proposal of the Appointment & Remuneration Committee, the dividing up between the Directors with particular offices or delegated powers of the global fixed annual fee previously resolved by the Shareholders' Meeting in its entirety in favour of these Directors;
- l) defines, at the time of their appointment and subsequently up-dates when it deems it necessary upon the proposal of the Appointment & Remuneration Committee, the employment remuneration of the Members of the BoD and also the employees of the Company;
- m) defines, at the time of their appointment and subsequently up-dates when it deems it necessary, the employment remuneration and/or the fees for the Head of Internal Auditing

- and for the Members of the S.B.; it also defines any fees for the Members of the Appointment & Remuneration Committee;
- n) implements the rules defined by the Shareholders' Meeting for the assignment of the variable additional incentive fees, associated with the achievement of the business results, due to the Members of the Board of Directors with powers or with operational roles;
 - o) assesses the general performance of operations, taking into consideration the information received from the appointed bodies and - periodically comparing the results achieved with those planned (annual Budget, SBP) - adopting the initiatives possibly necessary for correcting negative trends in time or further improving positive trends;
 - p) examines and approves in advance those transactions of Rosetti Marino S.p.A. and of its subsidiary companies which have a significant strategic, economic, equity or financial impact on the Company or the Group, as well as any other question submitted for its examination in that it is deemed to be particularly important;
 - q) exercises the internal control and prevention functions envisaged by Italian Legislative Decree No. 231/2001 for the purpose of exempting the administrative liability of the Company, by means of a Supervisory Body, operating in accordance with the matters established in the Organisation, Management and Control Model 231 in force as and when appropriate within the Company;
 - r) in the last six months of its three-year mandate, the Board of Directors - upon the proposal of its Chairman - reviews - and possibly amends - these Rules for the subsequent proposal for approval to the Shareholders' Meeting.

The Members of the Board of Directors are periodically kept informed, at least every two months, of the performance of the Company by means of a written report drawn up and sent by the Administration, Finance and Control Unit; this report will have to contain the performance of the results with respect to the main annual budget objectives, as well as the most important economic-financial business indicators, final and forecast, also from a consolidated standpoint.

The Board of Directors, when formulating the mandates in relation to individuals, will operate in such a way as to avoid that these powers do not effectively strip the same of their prerogatives, ensuring that the powers of administration of the Company which the same has due to the Articles of Association, are effectively exercised by said Board.

6. THE CHAIRMAN

The Articles of Association assign the legal representation of the Company to the Chairman - and also to each of the two Deputy Chairmen if appointed - as well as the power-duty to execute all the board resolutions, if a different appointee has not been designated in the resolution.

The Chairman of the Board of Directors - who if present is also assigned the role of Chairman of the Shareholders' Meeting and of the Executive Committee if established - is the main liaison between the Shareholders on the one hand and the Members of the Board of Directors and the Appointment & Remuneration Committee on the other hand.

The Chairman of the Board of Directors is permitted not to avail of powers from the BoD; in this event, he performs just the roles assigned to him by the law and the Articles of Association.

He can also avail of delegated powers, also in wide areas of the business activities, provided that this takes place with limits always defined and for activities which are possibly

complementary or different with respect to the mandates assigned to the Chief Executive Officer and to the other Members of the BoD.

The Chairman is also responsible for the following functions:

- directly or via appointees sees to the representation relationships of Rosetti Marino and the Group, with the Italian, foreign and supranational Institutional Authorities;
- follows, on a consistent basis with the approved programmes, the general initiatives for the promotion of the Group's image;
- takes up, in agreement with the Chief Executive Officer, the problems of a judicial-legal nature of greatest significance for the Company and the subsidiaries;
- oversees, via the Internal Auditing Unit, so that the activities of the Company and the Group are carried out correctly.

Each Deputy Chairman, if appointed, with priority for whomever is more senior in age, replaces the Chairman in all his duties and functions in the event of his absence or unavailability; each Deputy Chairman can also operate upon specific appointment assigned to him by the Chairman, so as to carry out one or more of the activities which said Chairman is responsible for.

7. THE CHIEF EXECUTIVE OFFICER

The Chief Executive Officer is the Member of the Board of Directors who - due to the extent of the powers delegated and the expenditure limits - is assigned the main powers and responsibilities of the business management, management which will have to be continued performing the roles which are the responsibility of said position and also pursuing the policies of the B.P.S. (Strategic Business Plan) and the POA (Annual Operating Plan) in force as and when, as well as implementing the resolutions of the BoD and the Executive Committee whose execution he has been appointed to take care of.

The Chief Executive Officer embodies the role of entrepreneur and has the main responsibility for the business performance, the results, the financial equilibrium and the development prospects of the Company and the Group, as well as the responsibility for guiding and co-ordinating the Subsidiary Companies.

The Chief Executive Officer, also on the basis of the indications and proposals of the Heads of the various Business Units and of the Subsidiary Companies, is responsible for the definition of the proposals to be presented to the Board of Directors with regard to the Company's strategic, industrial and financial plans, including the budgets, the investment plans and their up-dates.

The duties of the Chief Executive Officer are also to:

- a) supervise the company's guidance activities and corporate policy;
- b) monitor on a timely basis the changing market trends and, consequently, promptly research, select, and propose to the Board of Directors the launch of new products or initiatives of major importance;
- c) delegate to Directors and Heads of Department who report to him, the majority of the powers delegated to him by the BoD; monitor the operations of said Directors and Heads of Department and intervene on the same when necessary, with corrective action or, if needed, with the reduction or revocation of the mandates;
- d) ensure the suitability of the organisational set-up of the Company and the Group;

- e) ensure that each Division of the Company uses suitable methods for the assessment of each type of risk which within or outside the Company may cause damages exceeding the reasonable business risk to the Company or its Group;
- f) ensure all the Members of the BoD - also via the dedicated staff services - periodic, extensive and detailed disclosure on the business performance and that of the Group Companies, on the initiatives undertaken and on anything else which is reasonably and specifically requested by each Director;
- g) guide the policy of the commercial, technical, executive, managerial and financial activities of Rosetti Marino S.p.A. and its subsidiaries, constantly monitoring their performance and taking timely corrective action when necessary;
- h) also perform a co-ordination role between the Directors / Heads of Department of the Company and also between all those other business units which have received appointments and mandates from the BoD;
- i) make proposals to the Executive Committee and the Board of Directors; to implement their indications and resolutions where he has been appointed to do so;
- j) represent the Company both vis-à-vis the Senior Management of the subsidiary and investee companies of Rosetti Marino S.p.A., and vis-à-vis the representatives of the other shareholders or partners of the Investee companies of Rosetti Marino SpA.

The Chief Executive Officer also keeps all the Members of the Executive Committee (EC) informed with sufficient frequency on the news of a certain importance relating to the Company, the Investee and Subsidiary Companies, the new initiatives to be undertaken, the markets and any other event, forecast, favourable possibility or risk, also gathering from the Members of the EC indications and opinions on possible directions to take with regard to the matters presented.

The Chief Executive Officer also autonomously exercises the power granted to the same, co-ordinating in advance, where necessary, with those Directors who have received specific mandates in spheres in which shared decisions emerge as appropriate or necessary; the CEO also participates in the meetings envisaged in the periodic internal Communication Plan.

8. THE APPOINTED DIRECTORS

The Board of Directors has the power to assign specified mandates to the Chief Executive Officer and one or more Directors.

The spheres and the extent of the delegated powers are defined in detailed resolutions which, besides the period of validity of each mandate, establish the contractual sphere and the fields of activities, as well as the limits as to amount where it is possible to define the same.

The Appointed Directors must operate always having regard to both the general policies laid down by the BoD and also the B.P.S. (Strategic Business Plan) and the POA (Annual Operating Plan) in force as and when appropriate, co-ordinating constantly with the Chief Executive Officer.

Each Appointed Director has the task of i) checking that within the sphere of activity of the functions which report to him the company policies are observed and ii) reporting any deviations to the Chairman and the Chief Executive Officer.

The Appointed Directors, as executive members of the management body of the Company, have the task of constantly overseeing the observance by all the company staff, of both the standards of the Code of Ethics and the observance of the Organisation, Management and Control Model adopted by the Company in accordance with Italian Legislative Decree No. 231/2001 - hereinafter more briefly "Model 231" - in force as and when.

9. THE BUSINESS UNITS

Responsibilities for the many different activities that must be carried out within the Company in order to pursue and achieve its corporate purpose, shall be divided among the following decision-making functions:

- The Chairman and the Chief Executive Officer, supported by the staff functions that report to them;
- The Directors of the Business Units, directly reporting to the President or the Chief Executive Officer.

The establishment of each individual Business Unit, as well as the choice of its Director, his duties, delegated powers and limits, will have to be approved by the Executive Committee.

The Business Units which have staff roles may report to the Chairman or the Chief Executive Officer; the Business Units which have predominant roles in direct activities all report to the Chief Executive Officer.

The Chief Executive Officer will be responsible for the co-ordination amongst the same of the activities of all the Business Units, including those reporting to the Chairman or also handled by a Member of the BoD endowed with mandates; said co-ordination will be achieved mainly by means of frequent meetings of all the Directors of the Business Units, periodically organised and called by the CEO.

10. THE COMMITTEES LAID DOWN BY THE BOARD OF DIRECTORS

10.1 General principles

The establishment and functioning of the Committees laid down by the Board of Directors comply with the following criteria:

- a) the Committees are appointed and can be removed at any time by the Board of Directors; they are made up of at least three members;
- b) the duties of the individual Committees are established in the resolution which establishes them; these duties can be supplemented or amended by means of subsequent board resolution;
- c) minutes are taken of the Committees' meetings; the minutes must be filed and kept in a specific database, available to each member of the related Committee;
- d) when carrying out their functions, the members of the Committees have the faculty to access the information and the other company units necessary for the performance of the duties of the Committee, and to also avail themselves of outside consultants;
- e) the Board of Directors makes suitable financial resources available to each Committee, within the limits of the approved budgets.

10.2 Executive Committee (EC)

Within 60 days of each three-year renewal, the Board of Directors will have to establish an Executive Committee in accordance with the Articles of Association, with expiry of the mandate corresponding to that of the Board of Directors.

The Executive Committee will have to be made up of the Chairman, the Deputy Chairmen if appointed, the Chief Executive Officer and all the members of the Board of Directors with mandates (Appointed directors).

The Executive Committee is called by the Chairman or, in the event of his absence or unavailability, by a Deputy Chairman or by two of its Members.

The meetings of the Executive Committee are chaired by the Chairman or, in his absence, by the most senior Deputy Chairman in age present; upon the invitation of the Chairman or the Deputy Chairman who calls it, also the individuals extraneous to said committee can participate in the meetings of the Executive Committee without the right to vote.

The main duties of the Executive Committee are to:

- adopt the decisions which require wider powers than those delegated to its Members;
- define the business policy lines also supplementing that established with the approval of the B.P.S. (Strategic Business Plan) and the POA (Annual Operating Plan) in force as and when;
- periodically monitor the business performance and adopt - within the sphere of the powers delegated to the same by the BoD - any corrective action;
- approve the company staff organisation chart and the appointment of the Directors and the Heads of the main departments, assigning any mandates to the same;
- also decide on the choice of the Directors which Rosetti Marino SpA is responsible for the appointment of in the Management Bodies of the Investee Companies; also provide indications on the organisational set-up of the Company and other Group Companies;
- approve the Job Descriptions of the Chairman, the Chief Executive Officer, and, by way of acknowledgement, the Supervisory Body Function;
- furthermore, approve the Job Descriptions of the Directors and the Heads of the main departments of the company staff organisation chart.

The Job Descriptions of the senior positions and units, albeit in short, will be based on the Article of Association provisions, on the Corporate Governance Rules in force as and when and on the powers delegated by the BoD. These documents, with possible disclosures providing greater detail, will be available to consult by all the staff on the company intranet and by the company bodies which request as such.

Each member of the EC is responsible for checking the effective implementation of the decisions adopted by said EC.

The Executive Committee can also resolve on any issues that are not the exclusive responsibility of the Shareholders' Meeting or the Board of Directors.

The following aspects and those listed in point 5.2 above remain the exclusive responsibility of the BoD (and therefore are removed from the responsibility of the Executive Committee):

- approval of the Group's consolidated financial statements;

- proposal to the Shareholders' Meeting of the draft annual financial statements;
- approval of the annual budgets and budget reviews;
- approval of the investment budgets;
- proposals to the Shareholders' Meeting of extraordinary transactions of any kind;
- approval of transactions with related parties, thus where there are potential conflicts of interest;
- application for mortgage loans and bank credit facilities;
- issue of guarantees to third parties and to investee companies for amounts greater than the values established by the Board of Directors at the time of establishment of the Executive Committee.

The Executive Committee meets as a rule at least every 30 days, to examine the business performance.

It is however advisable and only due that as a rule the Members of the EC meet informally in meetings herein conventionally known as "Executive Meetings", or more briefly "EM", with a weekly frequency, upon calling by the Chairman or one of the two Deputy Chairmen if appointed; this so as to keep themselves reciprocally informed with regard to new opportunities and updates on the activities of greatest importance carried out or to be carried out by each Member of the EC and so as to exchange opinions on facts, opportunities, forecasts or rumours of a certain importance or interest, which regard or could regard the Company or the Group.

At the time of each EM meeting, the CEO informs and updates the Members of the EC on the initiatives being launched, on the significant activities underway and on the problems, risks and opportunities emerging.

The Chairman reports to the Board of Directors on each resolution adopted by the Executive Committee, in the first board meeting following that during which this resolution was adopted.

A copy of the minutes of the meetings of the Executive Committee signed by the Chairman and the Secretary must be sent without delay via e-mail to all the Directors and acting Statutory Auditors in office.

The minutes of the meetings of the Executive Committee must be made available to the members of the Board of Directors and the Statutory Auditors who request the Company Secretary in this connection.

The fees for the Executive Committee Members, who are Members of the BoD with statutory roles or delegated powers, are resolved first by the Shareholders' Meeting in their total aggregate amount, then individually by the BoD, taking into account the proposals of the A&RC, by dividing this total amount among the Members of the Executive Committee.

10.3 Appointment & Remuneration Committee (A&RC)

The appointment and the remuneration of the Directors, the Members of the S.B. and the Head of Internal Auditing must take place by means of a transparent procedure also in observance of any shareholders' agreements in force.

This procedure is supported by proposals which - on the basis of the requirements - the Appointment & Remuneration Committee, hereinafter more briefly referred to as "A&RC", puts together and sends promptly to the competent Corporate Bodies.

The A&RC will comprise the following members:

1. one extraneous to the Company, expert on the subject matter, who will be the Chairman of the Committee;
2. the Chairman of the Board of Directors or other Executive Director, who will also perform functions and duties as Secretary;
3. a person designated upon the proposal of the parent company Rosfin SpA.

The A&RC meets upon the initiative of its Chairman or the proposal of the Secretary, at least once a year towards the end of the Accounting Period, to check the adequacy of the outstanding remuneration and also check the satisfactory functioning of the current variable remuneration incentive systems and draw up new proposals or up-dates when necessary.

The A&RC satisfies quorum requirements and validly performs its work with the majority of its members.

The A&RC will have to take into account, making proposals, that a significant part of the global remuneration for each year envisaged for the Members of the Board of Directors with roles and mandates, will have to be linked to both the results achieved during the year to which the remuneration refers, and the results which will be achieved over the mid-term.

For said individuals, the Shareholders' Meeting (as indicated in the previous Section 2) will establish the remuneration and the fixed fees as well as the variable incentive amounts, defining the rules, the reference parameters, any minimum access thresholds and the objectives.

The determination of the remuneration of the Members of the A&RC is the exclusive task of the Board of Directors. The A&RC, in its annual report to the Shareholders' Meeting and the BoD, shall report on the current remuneration situation for its Members.

Each member of the A&RC is absent from the meeting during the negotiation of the remuneration proposal relating to them.

The main duties of the A&RC can be divided up into two groups and can be listed as indicated below:

1. Proposals to the Shareholders' Meeting through the BoD:

- a) indication of the candidates to the office of Independent Director also upon indication of Shareholders;
- b) global annual amount of the fixed component of the fees due to all the Members of the BoD, including those with particular roles or mandates, divided up between the following two addends:
 - global annual amount determined by the sum of the fixed individual remuneration equal for all the Directors, due annually to each Member of the BoD since resolved as such by the shareholders' meeting;
 - global annual amount, to be divided up by means of subsequent board resolution, to be allocated annually to the fixed portion of the fees due to those Members of the BoD who have been assigned roles or mandates;
- c) any variable additional fees - to-date P.F.R./R.V.I.A - associated with the business results, for the Members of the BoD, endowed with mandates or operating roles, defined by rules which include adopted parameters, relative objectives, minimum thresholds to be exceeded and percentages;

- d) fee due to the Members of the Board of Statutory Auditors, a fee which will have to be established at the time of their appointment.

2. Proposals to the BoD:

- a) assessment of the suitability of candidates for co-option to replace the Directors who leave office before the natural expiry date;
- b) division between the Members of the BoD with roles and mandates, of the global amount resolved by the Shareholders' Meeting, to be allocated annually to the fixed portion of the fee of these Members of the BoD;
- c) gross annual amount of the fixed component of the remuneration from employment, to be assigned to the Members of the BoD who are also employees of the Company;
- d) gross annual fee due to the Head of the Internal Auditing Unit and the Members of the S.B. as per Italian Legislative Decree No. 231/2001;
- e) reporting on the remuneration in force for the Members of the A&RC.

11. INTERNAL AND INTERCOMPANY COMMUNICATION

The current dimension of Rosetti Marino S.p.A., the number of its Business Units as well as the series of numerous Subsidiary and Investee companies in its Group represent an important and complex corporate and managerial structure.

Within this complex structure the Senior Management, the Directors and the Heads of Department must make choices on a daily basis.

So that each choice emerges as the most useful, right and balanced insofar as possible, it will have to take into account all data and every fact within and outside the Company which is useful or necessary to consider for this choice.

It is therefore necessary that alongside the external information via the press and the natural internal flow of news, a Planning System of the Internal Communication is in force, applied and periodically up-dated in-house, which ensures that any individual with decision-making powers receives all the information useful or necessary for the performance of their role.

This system, for each of its different communications channels, must define the source, the contents and the intended audience.

Important internal communication channels are currently the Koinè intranet and the periodic reporting produced by Management Control.

Other important channels are the Reports of the Internal Operations Meetings of all the individual Business Units and the monthly Disclosure Reports (or other equivalent documents) issued by the Senior Management of each Subsidiary and Investee Company; these documents must provide information on performance, problems, opportunities and possible or potential risks.

Planning, implementation and periodic up-dating of the channels necessary for the internal communication today are tasks to be carried out together with the Business System Unit and the A.F.C. Unit.

12. SUBSIDIARY AND INVESTEE COMPANIES

The business evolution of Rosetti Marino SpA, which has led this Company to also become an Operational Holding Company or Parent Company of equity investments in numerous Operating Companies and SPVs, both Subsidiaries and Investees, has always been oriented towards the following lines of policy:

- improve its independence from specific important sub-suppliers and improve its competitiveness entering into investment in Companies whose product is an integral part of one of the product lines of the Parent Company;
- improve the possibilities of Rosetti Marino S.p.A. to launch and develop its own product lines abroad, establishing in situ companies with local partners already well known in their areas.

The afore-mentioned lines of policy are still valid and will therefore have to always be kept in the utmost consideration, each time the Top Management must assess the possibility of extending or reducing the number of operating companies or SPVs invested in by Rosetti Marino SpA.

The monitoring and control of all the operating companies and SPVs of the Rosetti Group, will involve the observance - by the Parent Company - of the following guidelines:

- periodically check the policy and the objectives of each individual company and the possible positive or negative returns for the Parent Company, indicating any improvement or corrective action in the interests of said Companies and the Parent Company;
- periodically check with suitable frequency the market of the products of each company, its operations, the quality of its products and its economic results;
- launch prompt corrective action and/or that for the integration or replacement of the top management of each individual Company and on said Companies, each time repeatedly unsatisfactory results or other causes attributable to Top Management risk causing serious damage to the Companies and the Parent Company.

13. THE INTERNAL AUDITING UNIT

The Internal Auditing Unit supports the Chairman and the Board of Directors in the accomplishment of their guarantee functions for a correct running of the Company and the Group, at every level and in all areas of its organisation, for the adoption and maintenance of efficient systems for risk management, internal control and protection of the Company and its subsidiaries from unlawful and fraudulent operations.

The sphere of activity of the Internal Auditing Unit is the entire Rosetti Group and therefore both Rosetti Marino S.p.A. and the companies it controls. The Internal Auditing activities mainly unfold by means of consulting, supervision, reporting and proposals, based on the collation and processing of data and documents.

For the performance of the duties assigned, the Internal Auditing Unit may use - upon the specific mandate of the Board of Directors - any unit within the Company and also, if deemed necessary, outside consultants and firms expert with regard to these activities.

13.1 Duties

- a) Check the adequacy and the functioning of the internal control and risk management systems of the Company and its subsidiaries and take steps to propose up-dates or amendments, when necessary;
- b) during the last six months of the mandate of the Board of Directors, forward any proposals for up-dating these Rules to the Chairman;
- c) assess the correspondence between the business events and the company contracts and documents which represent the same for legal, financial and reporting purposes;
- d) detect and report critical aspects in the operational, administrative and organisational running of the Company and its subsidiaries and formulate corrective or improvement proposals, with particular reference to the correctness, transparency and efficiency of the activities;
- e) upon the request of the Chairman, express opinions on specific aspects concerning the identification of the main business risks and the definition of suitable internal control systems to reduce them;
- f) be held liable for its activities vis-à-vis the Chairman and report to the Board of Directors, at least every six months, with regard to the activities carried out and the main findings and observations formulated during the checks and assessments; it also reports to the Board of Statutory Auditors when it considers this necessary;
- g) when requested by the Supervisory Body, provide its collaboration to this Body in the identification and monitoring of the activities at risk of offence in accordance with Italian Legislative Decree No. 231/2001 and for the checking of the observance of the protocols defined by the "Model 231".

13.2 Characteristics of the Internal Auditing Unit

- a) By way of guaranteeing its independence, the Head of the Internal Auditing Unit is appointed by the Board of Directors, upon the proposal of the Chairman, to which he reports; the Head of the Internal Auditing Unit is not responsible for any business operations areas and does not depend hierarchically either on heads of operating areas or business units or the head of the Administration, Finance and Control Unit;
- b) it has the right to the collaboration of the staff of all the business areas subject to agreement with the respective managers and has the faculty of direct access, without the need for authorisation, to all the information and/or documents useful for the performance of its appointment;
- c) it annually draws up a suitable budget approved by the Board of Directors;
- d) it can avail itself of independent outside consultants, with specific expertise in relation to accounting, legal, technical and financial aspects and auditing in general;
- e) it is remunerated by means of a fee or remuneration established by the Board of Directors, upon the proposal of the Appointment & Remuneration Committee.

14. THE BOARD OF STATUTORY AUDITORS

As per the Articles of Association, the Board of Statutory Auditors is made up of three acting members and two alternate members, in possession of the requirements established by law. The members of the Board of Statutory Auditors are elected by the Shareholders' Meeting for three financial years and are always re-electable.

The election of the Board of Statutory Auditors may also take place by means of a list voting mechanism, provided that this ensures the observance of any shareholders' agreements existing and in any way to make sure that at least one Acting Auditor is appointed upon the proposal of one or more minority shareholders.

The Board of Statutory Auditors has duties and responsibilities as per the law.

Within the sphere of its activities, the Board of Statutory Auditors may request from and offer collaboration to the Internal Auditing Unit, defining timescales and formalities with the same. It also co-ordinates with the Independent Auditor, by means of a meeting at least once a year, to which the Chairman of the S.B. is invited, for a reciprocal exchange of information on the activities carried out.

15. THE INDEPENDENT AUDITOR

The Independent Auditor is appointed by the Shareholders' Meeting upon the proposal of the Board of Statutory Auditors. It is chosen from among the leading auditing firms, authorised for this purpose in accordance with the law.

The appointment granted to the Independent Auditor is assigned for periods with a maximum duration of three years, renewable on expiry, in accordance with the matters envisaged by the law and by applicable Regulations.

At least once a year, the holding of a meeting of the Independent Auditor is envisaged with the Board of Statutory Auditors, to which the Chairman of the S.B. is invited, for a reciprocal exchange of information on the activities carried out.

16. THE SUPERVISORY BODY ENVISAGED BY ITALIAN LEGISLATIVE DECREE No. 231/2001

The Supervisory Body (S.B.) is the joint body appointed by the BoD to oversee the functioning and observance of the "Model 231" laid down by Italian Legislative Decree No. 231/2001 as a necessary condition for exempting the Company from administrative liability as per said Legislative Decree.

In accordance with the above, the BoD adopted a suitable "Model 231", consistent with the principles expressed in the Rosetti Marino SpA's Code of Ethics.

The duties and the powers of the S.B. are specified in the Regulations of the Supervisory Body and in the "Model 231" in force as and when appropriate.

16.1 Composition of the Supervisory Body (S.B.)

The S.B. is made up of the following members:

- an external member, who acts as the Chairman;
- a member of the Board of Statutory Auditors;
- the Head of the Internal Auditing Unit;
- the Head of the General and Legal Affairs Unit, or another individual within the Company appointed by the Head of the General Affairs Unit or by the CFO.

In this section, “external member” is understood to be a party who is not an employee of the Company and does not belong to other decision-making and/or executive bodies or to the functional structures of the Company, its subsidiaries or its parent company.

16.2 Main duties of the S.B.

The S.B. oversees the functioning and observance of the Model 231, by means of:

- monitoring the effective disclosure of the Model 231;
- supervision of its validity and suitability;
- checking the effective ability of the Model 231 to prevent the offences as per Italian Legislative Decree No. 231/2001;
- checking the need to or appropriateness of proceeding with the update of the Model 231, also in relation to changed legislative and/or organisational business conditions, submitting the relevant proposals to the Board of Directors;
- periodic reporting to the Board of Directors and the Board of Statutory Auditors;
- communications to the Corporate Bodies at the time of findings deemed worthy of being reported;
- examination of the reports of non-compliance with respect to the “Model 231”, possibly received by the S.B. or its Chairman in a specific dedicated company e-mail account.

16.3 Main functioning rules

The S.B. meets periodically, at least every four months, upon the calling of its Chairman, and operates according to Regulations, whose up-dating is seen to by the same S.B..

The S.B. is annually endowed with an autonomous expenditure budget approved by the BoD.

For the performance of its functions on an on-going basis, the S.B. can avail itself of the collaboration of the Internal Auditing Unit.

At least every six months, the Chairman of the S.B. reports to the Board of Directors on the activities carried out.

16.4 Duration of the Supervisory Body

The mandate of the S.B. has a two-year duration (or three-year if thus decided by the Board of Directors at the time of appointment of the Members of the S.B.); its Members can always be

reappointed on expiry.

The Members of the S.B. cannot be removed, unless for serious and justified reasons.

If, due to resignations or other causes, a member of the S.B. falls from office but the majority of its original members remain in office, the Board of Directors may appoint the replacement until the natural expiry of the mandate of the S.B. in office.

If, due to resignations or other causes, at least two of the original members of the S.B. fall from office, the entire S.B. falls and the Board of Directors takes steps without delay to appoint a new S.B. for a new mandate with a maximum duration of three years.

16.5 Disclosure of the Organisational Model and the composition of the S.B.

Suitable information on the “Model 231” and the S.B.’s Regulations in force as and when is provided within the Company by the Chairman of the Board of Directors or his Appointees, by means of Rosetti Marino S.p.A.’s intranet.

17. DISCLOSURE TO THE SHAREHOLDERS, INVESTORS AND MARKETS

An Investor Relations unit operates within Rosetti Marino S.p.A. with the task of ensuring correct communication according to the market Regulations applicable as and when, with shareholders and investors, in relation to the listing and trading of the ROSETTI shares (ISIN Code: IT0001017851) on the stock markets on which said shares are listed (currently the AIM Italia MAC – Mercato Alternativo del Capitale, unregulated Multilateral Trading System managed by Borsa Italiana S.p.A.).

This unit acts together with the Chief Executive Officer and the Administration, Finance and Control Unit for the respective responsibilities.

The Investor Relations unit ensures that i) on the company website “www.rosetti.it” the documents envisaged by the applicable market regulations are always available (currently by the AIM Italia - Mercato Alternativo del Capitale Regulations) and that ii) before each Shareholders’ Meeting all the documents relating to this event are made available on the same website, according to the legal and regulatory provisions in force as and when.

It also carries out the exchange of information and documents inherent to or associated with the listing and the trading of Rosetti Marino S.p.A. shares with the Financial Community, both by means of a specific e-mail account “investor.relations@rosetti.it”, and via any other suitable and legitimate means.

18. SUPPLEMENTARY DOCUMENTS OF THESE RULES

The following documents, in the versions in force as and when, represent an integral part of these “Corporate Governance Rules”, even if not materially attached to the same:

- the Articles of Association of the Company Rosetti Marino S.p.A.
- the Shareholders’ Meeting Regulations of the Company Rosetti Marino S.p.A.

- the Code of Ethics
- the “Organisational Model Legislative Decree No. 231”
- the Regulations of the Supervisory Body as per Italian Legislative Decree No. 231/2001

In their version in force as and when, the above-listed documents are constantly made available both on the company intranet currently known as “Koinè”, and in the “Investor Relations” section of the website www.rosetti.it.