

CONTROL AND RISK COMMITTEE

REGULATION

References: *Articles of Association*
Guidelines for the Internal Control and Risk Management System
Borsa Italiana Corporate Governance Code
Luxembourg law of 23 July 2016 on the audit profession

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1. ESTABLISHMENT

The Control and Risk Committee (the “Committee”) was originally established within the Board of Directors of d’Amico International Shipping S.A. (the “Company”) on February 23rd, 2007. On 21 November 2016 the Board of Directors assigned to the Committee a new task so as to comply with the prescriptions of the Luxembourg Law of 23 July 2016 on the audit profession and therefore attributing to the Control and Risk Committee the tasks of the Luxembourgish Audit Committee.

1.1 Organisation and independence

The Board of Directors of the Company sets up the Committee and appoints the Committee’s members.

The Committee shall be composed of at least three non-executive directors, all independent.

To be considered “independent”, a director must satisfy all the requirements set out in the Corporate Governance Code issued by Borsa Italiana S.p.A. on January 2020 and subsequent amendments (the “Corporate Governance Code”) as well as the requirements possibly better defined by the Board of Directors.

The independence’s assessment is performed by the Board of Directors immediately after his/her appointment and, subsequently, upon the occurrence of circumstances that may jeopardize his/her independence and in any case at least once a year.

The Board of Directors may remove any member from the Committee as well as appoint any new member of the Committee at any time.

When, for whatever reason, there is a vacancy on the Committee, the Board of Directors shall appoint a new member in accordance with the composition guidelines given above.

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The Committee's term of office is the same as that of the Board of Directors and if, for whatever reason, the latter is dissolved before its term, the Committee is dissolved simultaneously.

1.2 Chairmanship

Unless the Board of Directors appoints directly the Committee Chairman (the "Chairman"), the members of the Committee shall appoint the Chairman by majority vote of the members of the Committee present or represented.

1.3 Qualifications of members

The Committee shall have expertise that is consistent with the Company's industry and with the assessment of its risks.

At least one of the members of the Committee shall have adequate knowledge and experience in accounting, finance or risk management, as required by the Corporate Governance Code.

The above requirements are discretionary assessed by the Board of Directors upon its appointment.

2. THE COMMITTEE'S TASKS

The Committee performs preliminary proposing and consultative functions towards the Board of Directors in the pursuit of the latter's responsibilities with respect to the periodical monitoring of the adequacy and effectiveness of the organizational framework of the internal control and risk management system of the Company and its subsidiaries.

The internal control and risk management system consists of a set of rules and procedures that are integral part of the organizational, management and control model of the Company and involves, different roles, administrative bodies, supervisory bodies, the management and all the staff. An effective Internal Control System contributes to the safeguarding of the Company's assets, the efficiency and effectiveness of operations, the

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reliability of financial reporting, the compliance with laws and regulations and in general to the sustainable success of the Company.

The Committee shall carry out its duties in line with the principles contained in the Code of Ethics, the Corporate Governance Code of Borsa Italiana, the legal framework applicable, the reference framework "COSO Report" and on the best national and international practices.

The tasks of the Committee are to support the Board of Directors in the following:

- a) the appointment and revocation of the Internal Audit Manager, constantly monitoring the autonomy, adequacy, efficiency, and effectiveness of the Internal Audit function;
- b) the definition of the Internal Audit Manager remuneration as well as in the annual approval of the Internal Audit work plan also asking the Internal Audit manager to include specific controls on defined operational areas;
- c) the examination of the Internal Audit periodic or particularly significant reports;
- d) the definition of the guidelines of the internal control and risk management system assessing the adequacy of the system with respect to the Company risk strategy at least twice in a year upon the approval of the annual and half-year financial report while reporting to the Board of Directors also on the activities carried out;
- e) the evaluation of the Company risk strategy and management policy with regards to the identification of the main risks;
- f) monitoring the independence of external auditor and their selection process according to what established by the Luxembourg law of 23 July 2016 on the audit profession;
- g) the evaluation of the correct application of the accounting principles and their homogeneity for the purpose of preparing the consolidated financial statements with the assistance of the external auditors and of the manager in charge of the preparation of the Company's financial reports;

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- h) the evaluation of the findings reported in the external auditor's report and in any of their written suggestions;
- i) the assessment of the suitable and correct representation of the company's business model, its strategies, the impact of its business and the performance achieved in the periodic financial and non-financial information;
- j) examining the content of those periodic non-financial information relevant to the internal control and risk management system;
- k) the process of assignment of the supervisory functions pursuant to article 6 of Italian Legislative Decree 231/2001 to a body established specifically for this purpose (so called Supervisory Committee or Organismo di Vigilanza);
- l) the process of approval of those major transactions and significant transactions with related parties which the Company or its subsidiaries are involved in according to the internal rules governing the said transactions.

The Committee may perform any additional duties assigned to it from time to time by the Board of Directors.

3. MEETINGS

The Committee shall meet as frequently as the Chairman or any two (2) members of the Committee deem it necessary to carry out its duties as well as upon request of the Chief Risk Officer of the Company and in any case at least twice in a financial year.

At the beginning of each financial year the Committee may establish its own meetings' plan, which in case it will provide to the Chief Risk Officer in advance.

The Chairman may call meetings by e-mail, giving at least two (2) calendar days of notice to all the members of the Committee. A meeting of the Committee must be convened if any two (2) of its members so require. The notice may be waived in cases of urgency but only with the unanimous consent of all the members of the Committee. Moreover, if all the

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members of the Committee are present at the meeting of the Committee held without notice the meeting shall be considered validly held.

The notice calling the meeting shall indicate the venue, date, time and agenda of the meeting and shall be sent in copy to the Chief Risk Officer of the Company.

The Committee may hold its meetings in any location, even abroad.

The Committee may use the services of a Secretary (the “Secretary”), appointed from time to time by the Committee which could be also an external to the Committee itself.

Meetings shall be chaired by the Chairman or, if he is absent, by the most senior member by age (the “Chairman pro-tempore”).

Meetings may be held by audio or video-conference, provided that all the participants can be identified and are able to follow the discussions and participate in real time; if these conditions are met, the meeting, whatever is the venue of the notice, shall be considered as held in the place where the Chairman is in attendance.

Those members who cannot physically attend the meetings can participate by means of representation filling a proxy in favour of another member of the Committee.

The Chairman may, from time to time, invite to the Committee’s meetings, with reference to individual items of the agenda and without any voting right, all the non-executive directors who are not members of the Committee as well as any executive directors, managers of the Company, the external auditors or such other persons as it deems appropriate in order to carry out its duties. The Internal Audit Manager is invited to attend to all meetings of the Committee without voting rights.

The Chairman may also exclude from its meetings any person, other than Committee’s members, if it deems this appropriate in order to discharge its duties.

Each director of the Company who’s not a Committee’s member shall avoid participating and those who are Committee’s members shall participate but abstain from voting in those Committee’s meetings where proposals are submitted to the Board of Directors where there is a possible conflict of interests (so called legal abstention).

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A member of the Committee who, on his or her own behalf or on behalf of third parties, has an interest in a specific transaction of the company, shall provide prompt and exhaustive information to the other members of the Committee and to the Chairman of the Board of Directors about the nature, terms, origin and extent of his or her interest.

In cases of urgency, a written decision, signed by all the members of the Committee, is proper and valid as though it had been adopted at a meeting of the Committee which was duly convened and held. Such a decision may be documented in a single document or in several separate documents having the same content and each of them signed by one or several members of the Committee.

4. MINUTES

The Committee shall keep written minutes of its meetings (the “Minutes”), which are drafted by the Chairman or the Chairman pro-tempore and/or the appointed Secretary.

The Minutes shall be signed by the Chairman or, in its absence, by Chairman pro-tempore provided that they are circulated and approved by all members.

The signed Minutes shall be sent to all the members of the Committee and duly filed with the minutes of the Board of Directors’ meetings at the registered office of the Company.

Copies or extracts of the Minutes shall be fully valid if signed by at least one of the Committee’s members who attended the related meeting.

5. QUORUM AND VOTING

The meetings of the Committee are valid when at least the majority of its members in office is present or represented (so called constituting quorum).

The Committee’s resolutions are valid when taken with the favourable vote of the majority of the members present or represented (so called voting quorum) where the legal abstention is not considered in the majority’s calculation of the voting quorum.

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Each member of the Committee shall have one vote on any matters requiring action by the Committee.

6. BUDGET

The Committee shall have the adequate financial resources to discharge its duties within the limits of the budget annually approved by the Board of Directors. Any expenses that exceed the budget shall be approved by the Board of Directors.

In discharging its proposing and consulting role, the Committee is empowered to investigate any matter brought to its attention and, according to the procedures established from time to time by the Board of Directors, shall have access to the Company's information, books, facilities functions and personnel.

The Committee may avail itself, through the Company's structures, of the services of independent external consultants as it deems appropriate and within the budget established by the Board of Directors. Moreover, it has the authority, as it deems appropriate, to request the assistance of the Internal Audit Manager. Any communications between the Committee and independent external consultants or Internal Audit Manager shall be considered as privileged and confidential information. The Committee shall take all necessary steps to preserve the confidentiality of these communications.

When using the services of an external consultant the Committee shall previously verify that the consultant concerned is not in a position which might compromise its independence.

7. FEES

The fees paid to the Committee members for the discharging of their particular office shall be determined by the Board of Directors within the range of the annual aggregate fixed gross amount determined by the Shareholders of the Company unless the Shareholders have determined the above amount excluding those directors vested with particular offices in which case the Board of Directors shall in turn determine at its sole discretion the Committee's members remuneration taking into consideration the fact that the remuneration

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of non-executive directors shall be proportionate to the commitment required from each of them also taking into account their participation in the Committee and shall not be linked to the economic results achieved by the Company.

Non – executive directors shall not be beneficiaries of share-based compensation plans, unless it is so decided by the Shareholders with shall accurately motivate the decision and provided that the plan covers an insignificant portion of the remuneration of the non-executive director.

8. AMENDMENTS TO THE REGULATION

The Committee approves its own Regulation and shall verify annually its adequacy.

In case of major amendments (i.e. the tasks of the Committee) the Committee shall submit a draft of the amended Regulation to the Board of Directors for further approval.