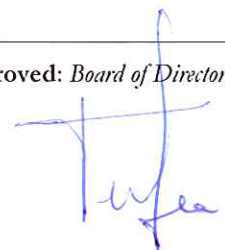

INTERNAL AUDIT MANDATE

References: *Corporate Governance Code of Borsa Italiana*
International Professional Practice Framework by IIA

**INTERNAL AUDIT MANDATE**

Issued: *Internal Corporate Functions and Control & Risk Committee*

Approved: *Board of Directors*



INTERNAL AUDIT MANDATE

References: *Corporate Governance Code of Borsa Italiana*
International Professional Practice Framework by IIA

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References: *Corporate Governance Code of Borsa Italiana*
International Professional Practice Framework by IIA

LEGENDA

Internal Audit Function	Internal Audit
Board of Directors	Board
Internal Control and Risk Management System	Internal Control System
Director in charge of the internal control and risk management system	Chief Control and Risk Officer
Control and Risk Committee	The Committee
d'Amico International Shipping S.A.	Company
d'Amico International Shipping S.A. subsidiaries	Subsidiaries
The Company's Executive Committee	Top Executives

References: *Corporate Governance Code of Borsa Italiana*
International Professional Practice Framework by IIA

INTRODUCTION

The Internal Audit Charter is a written formal document that defines the internal audit activity's purpose, authority, and responsibility¹.

The Internal Audit Charter:

- establishes the internal audit activity's position within the organization, including the nature of the Chief Audit Executive's functional reporting relationship with the Board;
- authorizes access to records, personnel, and physical properties relevant to the performance of engagements;
- defines the scope of internal audit activities².

Moreover, the Internal Audit Charter must recognize the mandatory nature of the definition of Internal Audit, the Code of Ethics, and the International Standards for the professional practice of Internal Audit (*standards*)³.

The final approval of the Internal Audit Charter resides with the Board of Company. The Internal Audit Manager must periodically review the Internal Audit Charter and present it to Chief Control and Risk Officer, The Committee and to the Board for approval. The Internal Audit Manager is responsible for periodically assessing whether the internal audit activity's purpose, authority, and responsibility, as defined in the Internal Audit Charter, continue to be adequate to enable the activity to accomplish its objectives. The Internal Audit Manager is also responsible for communicating the result of this assessment to Chief Control and Risk Officer, The Committee and to the Board⁴.

1. DEFINITION OF INTERNAL AUDIT, CODE OF ETHICS, AND INTERNATIONAL STANDARDS

Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

In order to ensure the objectivity and promote ethical culture in the performance of the Internal Audit activity, the the Internal Audit of Company is committed to apply and uphold the principles for the Code of Ethics issued by the Institute of Internal Auditors:

- **Integrity:** the integrity of the internal auditor establishes trust and thus provides the basis for reliance on their judgment.
- **Objectivity:** internal auditor exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. Internal auditor make a

¹ Attribute Standard 1000: Purpose, Authority, and Responsibility

² Practice Advisory 1000-1: Internal Audit Charter

³ Attribute Standard 1010: Recognition of the Definition of Internal Auditing, the Code of Ethics, and the Standards in the Internal Audit Charter

⁴ Practice Advisory 1000-1: Internal Audit Charter

References: *Corporate Governance Code of Borsa Italiana*
International Professional Practice Framework by IIA

balanced assessment of all the relevant circumstances and are not unduly influenced by their own interests or by others in forming judgments.

- Confidentiality: internal auditor respect the value and ownership of information they receive and do not disclose information without appropriate authority unless there is a legal or professional obligation to do so.
- Competency: internal auditor apply the knowledge, skills, and experience needed in the performance of internal audit services.

The Internal Auditor of Company declares that internal audit activity carried out is consistent with the principles of the International Standards (Attribute and Performance) for the professional practice of the Internal Audit issued by the Institute of Internal Auditors.

2. PURPOSE

2.1 Mission

The Internal Audit verify, both on a continuous basis and in relation to special needs, the adequacy and effective functioning of the Internal Control System of Company, in relation to the evolution of the Company's activities.

The Internal Audit supports, through assurance and consulting services, the Chief Control and Risk Officer of the Company in designing, implementing and monitoring the Internal Control System, ensuring that it is always adequate, fully operating, effective and efficient. The Company's Internal Control System aim and priority consists in the identification, the assessment, the management and the monitoring of the Company and its Subsidiaries main business risks. Those risks are identified according to the guidelines addressed by the Company's Board so as to improve the effectiveness and efficiency of company transactions, the reliability of accounting, management and financial information, the compliance with law and regulations as well as policies and procedures of the Company, and the safeguarding of the Company's assets.

2.2 Purpose of the Internal Audit activity

The internal audit activity includes assurance and consulting services.

Assurance services involve the internal auditor's objective assessment of evidence to provide an independent opinion or conclusions regarding an entity, operation, function, process, system, or other subject matter. The nature and scope of the assurance engagement are determined by the internal auditor. There are generally three parties involved in assurance services: (1) the person or group directly involved with the entity, operation, function, process, system, or other subject matter - the process owner, (2) the person or group making the assessment - the internal auditor, and (3) the person or group using the assessment - the user.

Consulting services are advisory in nature, and are generally performed at the specific request of an engagement client. The nature and scope of the consulting engagement are subject to agreement with the engagement client. Consulting services generally involve two parties: (1) the person or group offering the advice - the internal auditor, and (2) the person or group seeking and receiving the advice - the engagement

References: *Corporate Governance Code of Borsa Italiana*
International Professional Practice Framework by IIA

client. When performing consulting services the internal auditor should maintain objectivity and not assume management responsibility.

The Internal auditor must apply the care and skill expected of a reasonably prudent and competent internal auditor. Due professional care does not imply infallibility⁵.

The Internal auditor must exercise due professional care by considering the:

- extent of work needed to achieve the engagement's objectives;
- relative complexity, materiality, or significance of matters to which assurance procedures are applied;
- adequacy and effectiveness of governance, risk management, and control processes;
- probability of significant errors, fraud, or noncompliance; and
- cost of assurance in relation to potential benefits.

It follows that internal auditor cannot provide absolute assurance of the absence of deviations or irregularities. However, the possibility that there are deviations and irregularities must always be kept into account mind whenever the internal auditor is to undertake an audit engagement.

2.3 Content of the internal audit activity

The Internal Audit must establish a risk-based plan to determine the priorities of the internal audit activity, consistent with the organization's goals, taking into account the organization's risk management framework, including using risk appetite levels set by management for the different activities or parts of the organization⁶.

The Board approves the audit plan which must be proportionate to the corporate and operational complexity and to the nature of business risks. It is charged with promoting a corporate culture that enhances the function of control and make all levels of the staff informed and fully involved in the role ascribed to them in the Internal Control System.

The result of the engagement (which is the audit report) must include the engagement's objectives and scope as well as applicable conclusions, recommendations, and action plans.

When the Internal Audit concludes that management has accepted a level of risk that may be unacceptable to the organization, the Internal Audit must discuss the matter with the higher hierarchical level. If the Internal Audit determines that the matter has not been resolved, the Internal Audit must communicate the matter to the Chief Control and Risk Officer, The Committee and to Board⁷.

The Board and the Chief Control and Risk Officer, The Committee must be regularly informed on activities carried out.

2.4 Assurance and consulting duties of Internal Audit

⁵ Performance Standard 1220 – Due Professional Care

⁶ Performance Standard 2010 - Planning

⁷ Performance Standard 2600 - Communicating the Acceptance of Risks

References: *Corporate Governance Code of Borsa Italiana*
International Professional Practice Framework by IIA

The Internal Audit performs the following assurance duties:

- establish a risk-based plan to determine the priorities of the internal audit activity, consistent with the organization's goals, the functioning of the internal control system and the implementation of action plans agreed following the audit report of the previous periods;
- plan the audit activities on the basis of the audit plan and within the limits of the budget approved by the Board of Director;
- perform the activities under each audit program and prepare an audit report for each engagement. The audit report, in relation to the weaknesses in the Internal Control System that arise during the audit activities, contain appropriate recommendations for the improvement of the Internal Control System, and in any case for a greater protection in the coverage of residual risk. The audit report in its final version, containing the comments of the manager of the activities being verified and possibly of the higher hierarchical levels, is sent to them, and for information to the President of the Board and other control functions;
- discuss, at least on a quarterly basis, with the Chief Control and Risk Officer and the The Committee the outcomes of each engagement and consequent corrective actions to be implemented;
- prepare an annual report on its activities and on the main proposals for the improvement the internal control system addressed to Board;
- monitor the internal control system through the monitoring of the actions taken by management as a result of prior engagement;

The Internal Audit performs the following consulting services:

- provides assistance to the management as a consultant in relation to opportunities for the reduction of costs or the reorganization of processes, as well as for the recommendation of the best practices and for the implementation of the same;
- evaluate the appropriateness of the methodologies and tools used to prevent and identify fraudulent behavior, and provides assistance to the management for potential improvements in this regard;
- provides assistance to the management, as facilitator and expert of methodology, in self-risk assessment and internal control system projects;
- provides support to the Chief Control and Risk Officer, The Committee in raising awareness of risk management and internal control;
- provides assistance to the Chief Control and Risk Officer, The Committee, as a specialist in the evaluation of the Internal Control System and in due diligence activities;
- provides support in relation to other verification activities aimed at evaluating and improving the control processes, risk management and corporate governance;
- upon request, provides operational support to the Supervisory Committee appointed pursuant to the Legislative Decree 231/01.

The complete list of duties is listed in the ANNEX 1.

3. AUTHORITY

3.1 Appointment and position within the organisation

References: *Corporate Governance Code of Borsa Italiana*
International Professional Practice Framework by IIA

The internal audit activity must be independent and the internal auditor must be objective in performing its work. The Internal Audit Manager must report to a level within the organization that allows the internal audit activity to fulfill its responsibilities. The Internal Audit Manager must confirm to the board, at least annually, the organizational independence of the internal audit activity⁸. The internal audit activity must be free from interference in determining the scope of Internal Audit, performing work, and communicating results.

The Internal Audit Manager reports functionally to the Board. The decisions regarding the appointment and removal of the Internal Audit Manager are exclusively under the responsibility of the Board.

Organizational independence is effectively achieved when the Internal Audit Manager reports functionally to the Board. Examples of functional reporting to the Board involve the Board:

- approving the internal audit charter;
- approving the risk based internal audit plan;
- approving the internal audit budget and resource plan;
- receiving communications from the Internal Audit Manager on the internal audit activity's performance relative to its plan and other matters;
- approving decisions regarding the appointment and removal of the Internal Audit Manager;
- approving the remuneration of the chief audit executive; and
- making appropriate inquiries of management and the Internal Audit to determine whether there are inappropriate scope or resource limitations.

The Internal Audit Manager of Company is appointed and revoked by the Board, upon proposal of the Chief Control and Risk Officer and after consulting with the The CommitteeThe Committee.

The Board approves the Internal Audit Charter and its periodic updating, after consulting with the The CommitteeThe Committee.

The Board sets the Internal Audit Manager remuneration in line with the Company's policies, upon recommendation of the Chief Control and Risk Officer and after consulting with the The CommitteeThe Committee.

3.2. Authority of the Internal Audit

The Internal Audit in the execution of the audit plan has direct, complete and unconditioned access to all people, activities, operations, documents, archives and company assets, without restriction of any kind whenever it deems it necessary. It must not be put any limitation to the activities of an audit or to the reporting of any lacks.

The Internal Audit has the authority to require the managers of the activities being verified a written response to the audit report issued and to any deficiencies identified.

The Company ensures the Internal Audit e independence, objectivity and authority in order to guarantee the necessary impartiality.

⁸ Attribute Standard 1110 – Organizational Independence

References: *Corporate Governance Code of Borsa Italiana*
International Professional Practice Framework by IIA

For this reason the Internal Audit Manager is not responsible for any operational divisions and shall not report hierarchically to any manager or operational divisions.

The Internal Audit may be entrusted also to persons external to the Company or its Subsidiaries, provided that they are endowed with adequate professionalism and independence.

Independence is also ensured by the availability of adequate means and resources required for the role and the performance of the duties assigned (St. 1000 - 1100).

The Internal Audit Manager its team and any other advisors involved, are required, to comply with confidentiality rules about the Company and its Subsidiaries sensitive information they acquire as part of their duties.

3.3 Resource Management

The Internal Audit is entrusted the power, within a budget allocated by the Board, to seek the assistance of external consultants depending on the volume of activity and to the particular complexity of the same, in relation to specific regulatory and / or operational matters.

3.4 Information flows

The Internal Audit Manager must report periodically to Chief Control and Risk Officer, The Committee and the Board on the internal audit activity's purpose, authority, responsibility, and performance relative to its plan. Reporting must also include significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by Chief Control and Risk Officer, The Committee and the Board⁹.

The Internal Audit Manager must ensure the following information flows:

- periodic information flows:
 - the Internal Audit Manager must communicate the internal audit activity's plans and resource requirements, including significant interim changes, to Chief Control and Risk Officer, The Committee and to the Board for review and approval. The Internal Audit Manager must also communicate the impact of resource limitations¹⁰;
- *at event* information flows
 - in relation to specific tasks, the Internal Audit Manager discusses with the audited the findings or deficiencies identified and then issue the audit report indicating, where applicable, the recommendations for potential improvements and informing the superior levels. The final version of the audit report inclusive, where appropriate, of the comments of the audited, and of the higher hierarchical levels, must be sent to Chief Control and Risk Officer, The Committee and copy to the President of the Board;

⁹ Performance Standard 2060 – Reporting to Senior Management and the Board

¹⁰ Performance Standard 2020 – Communication and Approval

References: *Corporate Governance Code of Borsa Italiana*
International Professional Practice Framework by IIA

- when the Internal Audit Manager concludes that management has accepted a level of risk that may be unacceptable to the organization, the Internal Audit Manager must discuss the matter with Chief Control and Risk Officer, The Committee. If the Internal Audit Manager determines that the matter has not been resolved, the Internal Audit Manager must communicate the matter to the Board¹¹.
- send to the Chief Control and Risk Officer, The Committee and to the Board temporary reports (written or verbal) to communicate information that requires immediate attention, to indicate changes in the scope of the engagement, or to report any significant changes to the audit plan and / or to the budget, or to provide the progress of the long term engagement.

The Internal Audit Manager cooperates, also through the exchange of information flows, with other organizational units of the Company.

3.4.1 Information flows to the Internal Audit function

Function	Information flow
Top Executives	Information on relevant organizational changes and / or launch of new projects and / or products and services
Top Executives	Decision to adapt the company's organizational system with reference, for example, the following aspects: <ul style="list-style-type: none"> - powers and delegations; - rules of Procedure; - organizational chart and function.
Supervisory Committee as per L.D. 231/2001	Audit plan; Annual report to the Board; Reports of violations of the Organizational and Management Model 231; Risk Assessment.

3.4.2 Information flows of the Internal Audit function

Function	Information flow
The Committee/ Audit firm	Plan of Audits; Evidence and results of checks pertaining to the Committee/Audit firm, including the reports to the Board, other control functions and Chief Control and Risk Officer.
Supervisory Committee as per L.D. 231/2001	Audit plan; Evidence and results of checks pertaining to the Legislative Decree n. 231 field; The reports to the Board, other control functions and the Chief Control and Risk Officer; Risk Assessment.

¹¹ Performance Standard 2600 - Communicating the Acceptance of Risks

References: *Corporate Governance Code of Borsa Italiana*
International Professional Practice Framework by IIA

4. RESPONSIBILITY

The Internal Audit will adopt in the course of its work the International Standards for the professional practice of Internal Audit and the Code of Ethics issued by the Institute of Internal Auditors. In addition, the Internal Audit intends to refer to International Professional Practices Framework in their application in specific types of engagement.

4.1 Responsibility of the internal audit with reference to the Attribute Standards

The Attribute Standards address the attributes of organizations and individuals performing Internal Audit.

With reference to the Attribute Standards:

- The Internal Audit must have an impartial, unbiased attitude and avoid any conflict of interest¹².
- The Internal Audit must possess the knowledge, skills, and other competencies needed to perform their individual responsibilities. The internal audit activity collectively must possess or obtain the knowledge, skills, and other competencies needed to perform its responsibilities¹³.
- The Internal Audit, in order to conduct audit activity, may avail itself of the services of the external consultants.
- The Internal Audit must apply the care and skill expected of a reasonably prudent and competent internal auditor. Due professional care does not imply infallibility¹⁴.
- The Internal Audit must develop and maintain a quality assurance and improvement program that covers all aspects of the internal audit activity. The quality assurance and improvement program must include both internal and external assessments. Each of these parts of the program must structured so as to help the Internal Audit to provide added value to improve the operations of the organization and to ensure that its activities are carried out in accordance with the Standards and Code of Ethics¹⁵.

4.2 Responsibility of the internal audit with reference to the Performance Standards

The Performance Standards describe the nature of Internal Audit and provide quality criteria against which the performance of these services can be measured.

With reference to the Performance Standards:

- The Internal Audit must effectively manage the internal audit activity to ensure it adds value to the organization¹⁶.

¹² Standard 1120 - Individual Objectivity

¹³ Standard 1210 - Proficiency

¹⁴ Standard 1220 - Due Professional Care

¹⁵ Standard 1300 - Quality Assurance and Improvement Program

¹⁶ Performance Standard 2000 - Managing the Internal Audit Activity

References: *Corporate Governance Code of Borsa Italiana*
International Professional Practice Framework by IIA

- The Internal Audit must establish a risk-based plan to determine the priorities of the internal audit activity, consistent with the organization's goals¹⁷.
- The Internal Audit Manager must communicate the internal audit activity's plans and resource requirements, including significant interim changes, to Chief Control and Risk Officer, Audit Committee and the board for review and approval. The Internal Audit Manager must also communicate the impact of resource limitations¹⁸.
- The Internal Audit Manager must ensure that internal audit resources are appropriate, sufficient, and effectively deployed to achieve the approved plan¹⁹.
- The Internal Audit Manager should share information and coordinate activities with other internal and external providers of assurance and consulting services to ensure proper coverage and minimize duplication of efforts²⁰.
- The Internal Audit Manager must report periodically to the Chief Control and Risk Officer and the The Committee and the Board on the internal audit activity's purpose, authority, responsibility, and performance relative to its plan. Reporting must also include significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by the Chief Control and Risk Officer, the The Committee, the head of function and the board²¹.
- The Internal Audit Manager, in relation to specific engagements, must discuss the findings or deficiencies identified with the audited and then issue the Audit Report informing the CEO, and specify, if applicable, recommendations for potential improvements;
- The Internal Audit Manager, in relation to specific deficiencies identified, assess the adequacy of the actions taken by the management to remedy or perform monitoring activities in relation to the actions that are not considered appropriate, as long as there has been a solution;
- The Internal Audit Manager must establish policies and procedures to guide the internal audit activity²², develop and document a plan for each engagement, includes the engagement's objectives, scope, timing, and resource allocations²³, identify, analyze, evaluate, and document sufficient information to achieve the engagement's objectives²⁴ and communicate the results of engagements²⁵.

4.3 Price sensitive and confidential information

In the treatment of price sensitive and confidential information and, in general, of all documents and information to which the Internal Audit has access in the course of its Chart, it applies the rules of confidentiality provided for staff who normally work in the functions tested.

4.4 Limitation of responsibility

¹⁷ Performance Standard 2010 - Planning

¹⁸ Performance Standard 2020 - Communication and Approval

¹⁹ Performance Standard 2030 – Resource Management

²⁰ Performance Standard 2050 - Coordination

²¹ Performance Standard 2060 - Reporting to Senior Management and the Board

²² Performance Standard 2040 - Policies and Procedure

²³ Performance Standard 2200 - Engagement Planning

²⁴ Performance Standard 2300 - Performing the Engagement

²⁵ Performance Standard 2400 – Communicating Results

References: *Corporate Governance Code of Borsa Italiana*
International Professional Practice Framework by IIA

The Internal Audit has no direct responsibility for the activities or the operations or functions that are audited. The internal auditor may make recommendations with regard to the quality of activities or the adequacy of the internal controls system in the normal performance of its Chart. Although the Internal Audit can do so take a pro-active and consulting role, this role will be always of a propositive nature and in any case the the Internal Audit will take a managerial or operational responsibility in the function audited. It is therefore the responsibility of the function audited, and not of the Internal Audit, to undertake or not any corrective actions to overcome the lack of control internal identified.

References: *Corporate Governance Code of Borsa Italiana*
International Professional Practice Framework by IIA

ANNEX 1: Duties of the Internal Audit

The Internal Audit provides its assistance through analyses, assessments and recommendations regarding the correct design and proper functioning of the internal control system based on the following:

- Legislation and regulation governing aspects of corporate governance, risk management, Internal Control and Internal Audit.
- The best national and international practices in corporate governance, risk management, Internal Control and Internal Audit, for example, the Code of Conduct of Borsa Italiana S.p.A. and the Enterprise Risk Management (ERM) published by the Committee of Sponsoring Organizations of the Treadway Commission (CoSo).
- The Guide Lines of the Internal Control System defined by the Board with the assistance of the The Committee.

The Internal Audit proposes a work plan and a budget for the performance of its activities. These are reviewed by the The Committee and approved by the Chief Control and Risk Officer.

The Internal Audit carries out its own activities coordinating with management involved and having direct access to all useful information for the performance of its duties. All people involved shall collaborate with the Internal Audit by:

- Making the data and information requested available within the timeframe agreed, including documents, electronic files or through interviews;
- Prompt processing of comments and action plans in response to the Internal Audit's findings and recommendations;
- Disclosure regarding reorganizations and projects likely to change the profile of risks;
- Requesting an internal audit when significant deficiencies or particularly critical violations of the internal control system are identified.

The Internal Audit examines the internal control system relevant to each function and operating area of the Company and its Subsidiaries. To this end, the Internal Audit has access to and may analyse any procedures, data, information, acts and, in general, all Company and Subsidiaries documents and information obtainable through interviews with personnel, all subject to a confidentiality agreement unless otherwise established by the law or contrary to professional standards.

The Internal Audit Manager periodically reports about its activity to the Chief Control and Risk Officer and to the The Committee. In case of urgency the Internal Audit Manager may report directly to the President of the The Committee.

Any conflicts of duty or lack of coordination and collaboration are reported to the Chief Control and Risk Officer who will inform accordingly the The Committee.

The Internal Audit's activities do not relieve the Company or its Subsidiaries of its responsibility to maintain an efficient internal control system suitable to manage risks.

The Internal Audit :

- Provides assurance and consulting services in order to identify and evaluate the Company and its Subsidiaries main characteristics, activities and processes;

References: *Corporate Governance Code of Borsa Italiana*
International Professional Practice Framework by IIA

- Periodically carries out a risk assessment and draws up and reviews the risk management procedures providing recommendations ;
- Examines and discusses with the people involved the results of the risk assessment and management process also in order to identify the intervention priorities as well as any undetected risks;
- Prepares periodically a work plan, based on:
 - Results of the risk assessments (planned internal audit);
 - Ongoing and completed action plans (internal audit follow-up);
 - Management requests, also in connection with non-recurring transactions and restructurings (special internal audit);
 - Requests of the Supervisory Committee as per Legislative Decree n. 231/01;
- Updates the work plan, to reflect organizational changes or events that entail a review of the intervention priorities (new management requests, unforeseen discontinued operations, etc.), which is subject to the review by the The Committee and approval by the Chief Control and Risk Officer. In urgent cases (eg, risks of irregularities or fraud) it is requested the preventive approval by the Chief Control and Risk Officer and the subsequent disclosure to the The Committee.
- Organises, in agreement with the relevant management, and communicates the work plan approved by the Chief Control and Risk Officer to the The CommitteeThe Committee.

The Internal Audit Manager:

- Develops and implements the internal audit methodologies, draws up the budget of working days and defines the professional profiles of the personnel involved;
- Reviews the internal audit programs and evaluates the correct range of the control objectives based on risk assessment;
- Verifies that the internal audit are conducted according to the approved plan;
- Reports periodically to the Chief Control and Risk Officer and the The Committee on the progress of the work plan;
- Examines and reviews the internal audit reports before discussion with function involved in order to verify that findings are supported by adequate audit evidence;
- Advises the auditee function on the definition of actions to improve the internal control system (action plan), based on the findings of the internal audits.

The Internal Audit:

- Works with the function involved to prepare the action plan;
- Monitors the progress of the function responsible's action plan and periodically reports to the Chief Control and Risk Officer and the The Committee on the completed actions, the actions in progress and those that have been delayed;
- Examines the projects regarding non-recurring transactions and internal restructurings to evaluate the impact on the adequacy of the internal control system;
- Participates, in a consulting role, in the definition and updating of the Company's and Subsidiaries internal control system;
- Participates, in a consulting role, in the definition and updating of the Organisational Model as per Legislative Decree n. 231/01, if so requested by the Supervisory Committee.

References: *Corporate Governance Code of Borsa Italiana*
International Professional Practice Framework by IIA

At the end of every audit, a written report is issued to the audited function the Chief Control and Risk Officer and the The Committee. The report includes an executive summary of the main control deficiencies in terms of design and operating effectiveness, the related recommendations and the corrective actions (action plan) defined by the auditee in agreement with the Internal Audit.

The Internal Audit Manager promptly communicates any serious issues that may emerge during the audit to the Chief Control and Risk Officer and the The CommitteeThe Committee, with the aim of taking immediate corrective actions.

Management letters, prepared by the independent auditors, including recommendations to resolve any weaknesses of the internal control system, and the reports of the independent auditors are sent in copy to the Internal Audit Manager, by the function involved.

The audit firm has access to Internal Audit reports, upon request.