



## GENTIUM S.P.A.

### Charter of the Audit Committee of the Board of Directors

#### **Purpose**

The Audit Committee is appointed by the Board of Directors (the “Board”) of Gentium S.p.A. (the “Company”) to assist the Board in fulfilling its oversight responsibilities. The Audit Committee’s primary purpose is to

- establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submission by the Company’s employees of concerns regarding questionable accounting or auditing matters;
- engage independent counsel and other advisors, as it determines necessary to carry out its duties; and
- approve related party transactions.

#### **Composition**

The Audit Committee shall be composed of at least three members of the Board, who shall be appointed by the Board and serve until their successors are appointed and qualified. The Board shall appoint the members of the Audit Committee from time to time, considering the recommendation of the Company’s Nominating and Corporate Governance Committee and, as appropriate, the views of the Company’s chairman of the Board and chief executive officer. The Board shall have the power at any time to change the membership of the Audit Committee and to fill vacancies in it, subject to the satisfaction of such new member(s) of the membership requirements. The Board shall designate the chairperson of the Audit Committee.

Each member of the Audit Committee shall meet the applicable independence and financial expertise requirements of the Nasdaq Stock Market or such other exchanges as the Company’s securities may be traded upon and other regulatory requirements, as they may be in effect from time to time. In addition, at least one member of the Audit Committee shall qualify as an “audit committee financial expert” as defined by the rules of the Securities and Exchange Commission (“SEC”), as they may be in effect from time to time.

#### **Responsibilities**

The Audit Committee shall assist the Board in discharging the Board’s oversight responsibility to the Company’s shareholders and the investment community relating to the accounting and financial reporting and control practices of the Company and its subsidiaries. Specifically, the Audit Committee shall

- establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or audit matters, and the confidential, anonymous submission by the Company’s employees of concerns regarding questionable accounting or auditing matters;



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- engage independent counsel and other advisors, as it determines necessary to carry out its duties;
- conduct an appropriate review of all related-party transactions on an ongoing basis, and approve all such transactions; and
- review and reassess the adequacy of this charter at least once a year and, to the extent and in the manner that the Company is legally required to do so by SEC rules, cause the Company to publicly file this charter, as then constituted.

In addition to the above responsibilities, the Audit Committee shall undertake such other duties as the Board may delegate to it from time to time and perform such other activities as are consistent with this charter, the bylaws of the Company and applicable law.

#### **Meetings; Procedure**

The Audit Committee shall meet as often as it may deem necessary or appropriate in its judgment, but in any event it must meet at least once per financial quarter, either in person, telephonically or by written consent in lieu of a meeting. In cases of written consents in lieu of meetings, the members shall be permitted to vote in favor, against or abstain from voting. The majority of the members of the Audit Committee shall constitute a quorum.

Except as expressly provided in this charter or the bylaws of the Company, the Audit Committee shall fix its own rules of procedure.

The Audit Committee shall report to the full Board with respect to its meetings and shall periodically report to the Board with respect to significant results of its activities.

Minutes of all meetings, including telephone meetings, shall be maintained and furnished to members of the Audit Committee, the Board and the Secretary of the Company. In addition, all materials relating to Audit Committee meetings shall be circulated to all members of the Board in advance of Board meetings.

The Audit Committee shall meet in executive sessions with the independent auditors and management at least annually and shall meet without management in regular executive sessions



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#### **Outside Advisors/Investigations**

The Audit Committee shall engage such outside counsel, experts and other advisors as it determines appropriate to assist in the full performance of its functions. The Audit Committee shall have the authority to conduct or authorize investigations into any matters within its scope of responsibilities and shall have the authority to engage outside counsel, experts and other advisors to assist it in the conduct of such investigations. The Company shall provide appropriate funding, as determined by the Audit Committee, for compensating any such counsel, experts or other advisors engaged by the Audit Committee.

The Audit Committee, and each member of the Audit Committee in his or her capacity as such, shall be entitled to rely, in good faith, on information, opinions, reports or statements prepared or presented to them by (a) officers and employees of the Company who are reasonably believed by such member to be reliable and competent in the matters presented and (b) counsel, public accountants and other advisors of the Company or the Audit Committee as to matters the member reasonably believes to be within the professional competence of such advisor.

#### **Budget**

The Audit Committee may require the Company to provide it with such funds as it requires from time to time to perform its duties.