salini impregilo

2018 REMUNERATION REPORT

2018 REMUNERATION REPORT

Year the Report refers to: 2017
Date of approval by the Board of Directors: March 23, 2018

The Remuneration Report is published in the Governance section of the Company's website *www.salini-impregilo.com*

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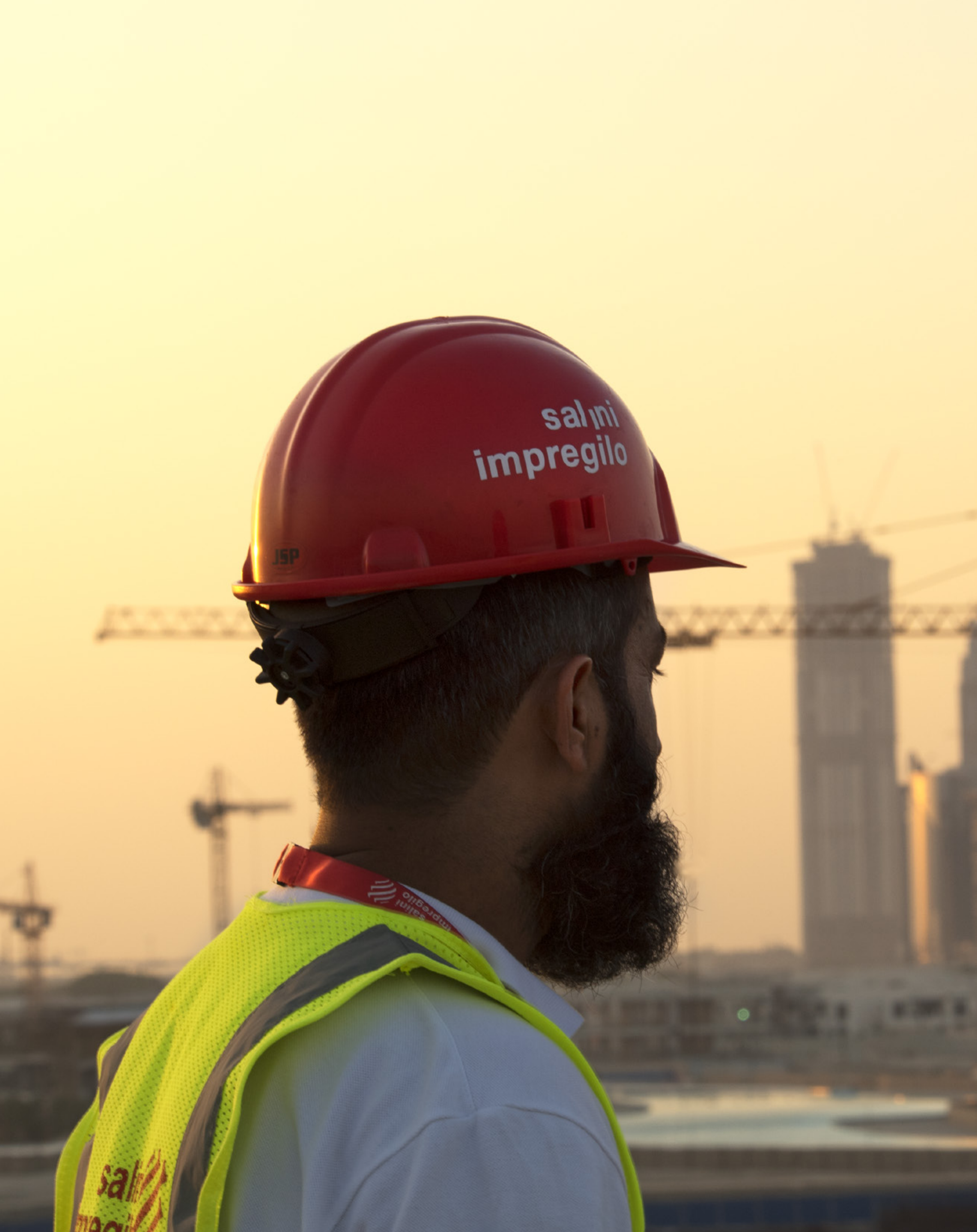
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Dear Shareholders,

I am pleased to present the 2018 Remuneration Report, the last of this Board of Director's three-year mandate. It illustrates Salini Impregilo's 2018 policy, as well as remuneration paid in 2017, with regard to both the Short Term Incentive scheme and the 2015-2017 Cash/Performance Shares Long Term Incentive plan.

The 2018 policy builds on the work that started various years ago, aiming to design a remuneration system aligned to international best practices and compliant with the interests of all stakeholders. It reflects the awareness that a fair, balanced and stretching remuneration policy is a fundamental driver, capable of motivating people. It is also an important lever for attracting and retaining talented individuals who are indispensable to meet the challenging targets set in the 2016-2019 Business Plan.

The 2018-2019 LTI Plan introduced this year will accompany the 2016-2019 Business Plan to its conclusion.

In addition to confirming the performance indicators of the previous LTI Plan - Cumulative Revenues and Cumulative EBIT – it also introduces new targets referred to "Safety" and "Risk" containment parameters.

The objective is to further increase focus on safety at work and succession planning. The latter is aimed at ensuring that the distinctive competencies held by key personnel, stemming from a history over a century long of effectively managing the intrinsic complexity arising from the construction of large infrastructures, is mindfully and systematically stored, shared and transferred to the 'successors' of our current managers.

Short term variable remuneration confirms a selection of performance indicators aligned to the Business Plan - Reduction of the gross financial debt, Book to Bill and EBIT - and considered fundamental by the market for sustainable value creation as well as for sound and prudent risk management.

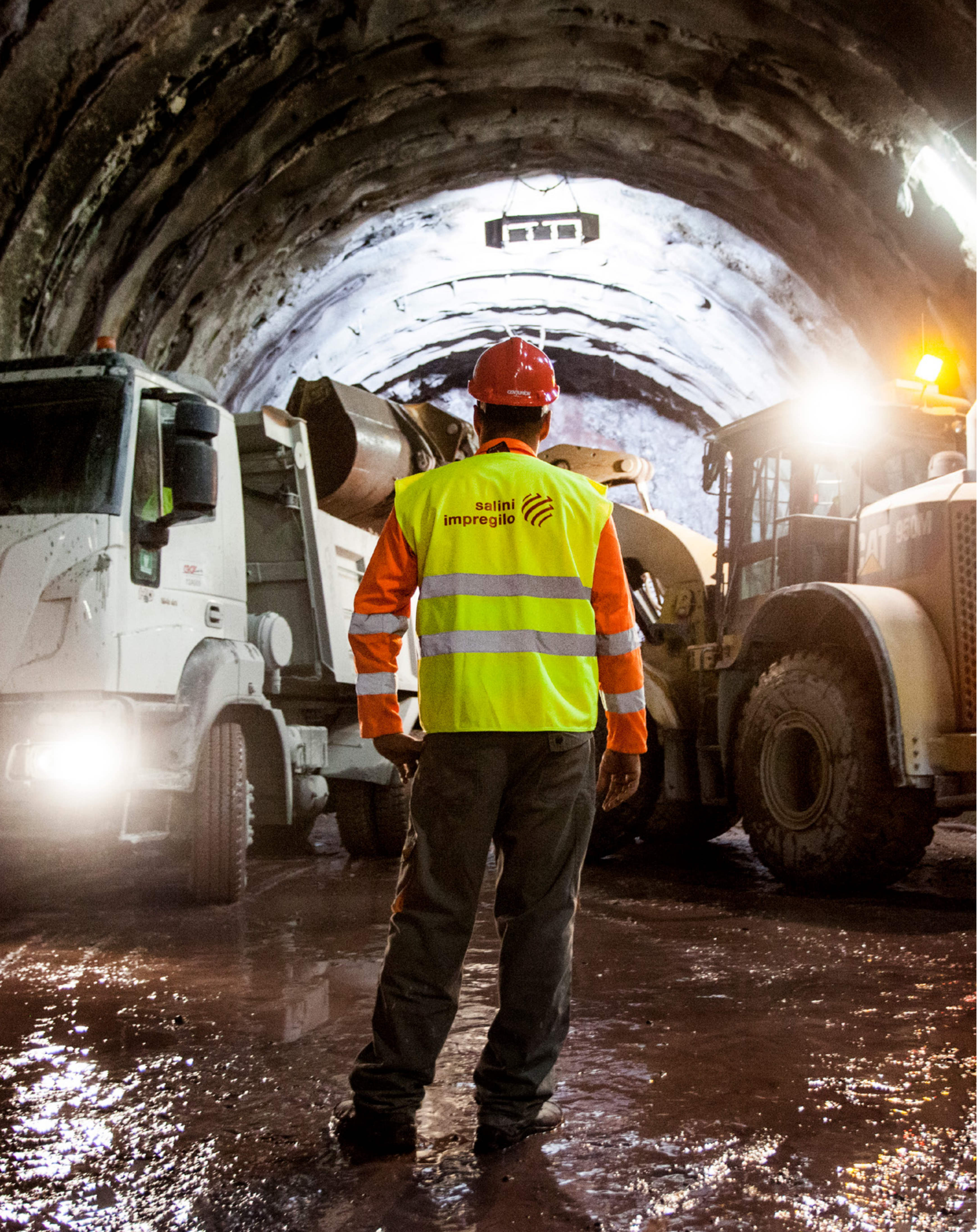
The second part of the Report details remuneration paid in 2017, a year in which Salini Impregilo delivered important results, despite the negative geopolitical events that impacted the industry.

To conclude, the continuous effort for an even more transparent and compete disclosure has led to an improvement in this Report's graphical layout and in the way in which information is set out.

I would like to sincerely thank the other members of the Compensation and Nomination Committee - Nicola Greco, Geert Linnebank and Laudomia Pucci - for their significant commitment and great expertise, and also the people that from within the Company support the Committee in its various activities.

Lastly, I would like to renew my gratitude for interest in the Report - I hope that the changes made this year will lead to an even wider consensus on the remuneration policy - and especially, for sharing and supporting Salini Impregilo's strategic development.

Marina Brogi
Chairman Compensation and Nominating Commitee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OVERVIEW

Salini Impregilo is an industrial group specializing in the construction of major, complex projects - a dynamic Italian company capable of competing with leading global players.

The global context in which Salini Impregilo operates is characterized by a particularly complex *business* environment. The Management of Salini Impregilo, who must act in accordance with environmental, ethical and professional principles in compliance with the highest international criteria for corporate *governance and citizenship*, must consist of people with highly competent professional qualifications, who are not readily available on the market.

Salini Impregilo's 2018 Remuneration Policy, defined on the basis of market practices and international *benchmarking*, in compliance with the key principles of equity, transparency, meritocracy and sustainability, is aimed at:

(i) Attracting, motivating and retaining, within the Group, key staff equipped with the technical and professional skill-set required for the profitable achievement of Salini Impregilo's *objectives*, taking into account not only the current but also the future size and complexity of a Company that is undergoing rapid development and targeting ambitious goals;

(ii) Aligning *management*'s interests with value-creation interests of shareholders and stakeholders alike.

The aforementioned Policy, therefore, represents a key instrument for consolidating and bringing together a management team who is strongly motivated in pursuing goals and ready to take on new challenges and opportunities in order to further enhance the Company's competitive positioning.

The 2018 Remuneration Policy was defined in accordance with the previous years' Remuneration Policy.

Said Policy was defined in accordance with Article 123-ter of TUF, in line with (i) Article 84-quater and Annex 3A, Form 7-bis of the Issuers' Regulation, (ii) the recommendations of Article 6 of the Governance Code, as well as (iii) Article 11 c) of the Procedure for Related Party Transactions adopted by the Company on November 30, 2010 and subsequently amended - most recently on November 11, 2015 - and available on the Company website (www.salini-impregilo.com, under the "*Governance*" section) (the **"RPT Procedure"**).

Table 1 below provides an overview of Salini Impregilo's 2018 Remuneration Policy, which is described in greater detail in this Remuneration Report. Table 2, instead, provides an overview of the Policy's implementation.

Table 1 - Guidelines of the 2018 Remuneration Policy

	Chief Executive Officer (CEO)	General Managers And Other Key Management Personnel
Theoretical pay mix That can be reached with 100% achievement of all variable retribution components	Determined after carrying out a detailed benchmark, with support from an Independent Expert, on a set of listed European and National companies with a significant capitalization and that can be qualified according to business sector and industrial complexity, in terms of peers or comparability. Balancing of the fixed and variable components of the remuneration of the Chief Executive Officer, of the General Managers and of Key Management Personnel has been established as follows: – 1/3 as the fixed **component**; – 1/3 as the **short-term variable component** (short-term incentive, **"STI"**); – 1/3 as the **long-term variable component** (long-term incentive, **"LTI"**).	
Fixed component	Determined on the basis of international benchmarks, taking into account the (i) professional skill set, (ii) performance, (iii) duties and responsibilities, (iv) available candidates on the market and corporate risk profile for termination of the employment relationship, (v) Company's size and management complexity. The Chief Executive Officer, the General Managers and the Key Management Personnel do not receive further compensation for other roles carried out within the Group.	
STI variable Component	**Structure:** monetary, connected to the attainment of specific targets declined in terms of:	
	Group objectives parametrized to a set of metrics that focus on the Group's economic and financial performance, defined consistently with the Business Plan.	**Group objectives** parametrized to a set of metrics that focus on the Group's economic and financial performance, defined consistently with the Business Plan; **Business unit targets** defined consistently with the Company's Business Plan. **Individual performance targets.**
	Disbursement: the right to receive the 2017 STI accrues on the basis of the results achieved in the previous year and assessed according to a performance scale with the range varying from a minimum of 80% (minimum performance) to a maximum of 120% (**maximum performance**), with the corresponding payout of a variable remuneration from 50% to 140% respectively of GAS, calculated by linear interpolation at for pre-set intervals. Should performance in terms of the relevant targets be below the 80%, no amount linked to that objective shall be paid. No deferment mechanisms over more than one year are envisaged for the disbursement of the variable part of the remuneration.	
	Malus clauses: No compensation is paid to subjects whose conduct breaches company regulations (particularly if they breach the Code of Ethics, the Organisational Model of Legislative Decree 231/01 and of the Anticorruption Models) and damage the company.	
	Clawback clauses: with regard to short-term variable components of remuneration, clawback clauses are envisaged to allow the company to ask for a partial or total return (or not to pay them) of these variable components in case of breach, if the total sum has been determined based on data that has been found to be incorrect due to the violation made by the beneficiary, of company regulations, of contracts or of the law, or due to his/her seriously malicious conduct and misconduct aimed at altering the data used to measure if the targets have been reached.	
Variable LTI Component	**Structure:** monetary or represented by Company shares, having a cliff or rolling structure. Similarly to what is envisaged for the STI, the long term variable component is connected to the attainment of determined Group objectives consistently with the company's Business Plan.	
	Disbursement: The long-term variable component becomes due for payment when the term of the reference performance falls due, after verifying that said component has reached a minimum threshold.	
	Malus clauses: No compensation is paid to subjects whose conduct breaches company regulations (particularly if they breach the Code of Ethics, the Organisational Model of Legislative Decree 231/01 and of the Anticorruption Models) of contracts of or of the law, or in case of his/her seriously malicious conduct misconduct which and damage the company.	
	Clawback clauses: with regard to long-term variable components of remuneration, clawback clauses are envisaged to allow the company to ask for a partial or total return (or not to pay them) of these variable components in case of breach, if the total sum has been determined based on data that has been found to be incorrect due to the violation made by the beneficiary, of company regulations, of contracts or of the law, or due to his/her seriously malicious conduct and misconduct aimed at altering the data used to measure if the targets have been reached.	
Benefits	– Supplementary pension – Supplementary health care – Company car for personal use	– Insurance Cover – Housing

1 *Companies included in the panel: Acciona, Astaldi, Atlantia, Autogrill, Balfour Beatty, Enel, Ferrovial, Fiat FCA, Gruppo Generali, Hochtief, Indesit, Italcementi, Luxottica, Pirelli, Prysmian, Skanska, Telecom, Vinci.*

Table 2 – Overview – Implementation of the 2018 Remuneration Policy

	Chief Executive Officer (CEO)	General Managers And Other Key Management Personnel
Theoretical pay mix That can be reached with 100% achievement of all variable retribution components	• 1/3 3 as the **fixed component**; • 1/3 as the **short-term variable component** (short-term incentive, **"STI"**); • 1/3 as the **long-term variable component** (long-term incentive, **"LTI"**).	
Fixed component	Please refer to Section 2	
Variable STI Component for 2018	**Group Targets** **EBIT**, with a 50% impact on determining the Target Bonus concerning the Group's Targets **Book to Bill**, with a 25% impact on determining the Target Bonus concerning the Group's targets **Reduction of the gross financial debt**, with a 25% impact on determining the Target Bonus related to the Group's targets.	**Group Targets** **EBIT,** with a 50% impact on determining the Target Bonus concerning the Group's Targets **Book to Bill,** with a 25% impact on determining the Target Bonus concerning the Group's targets **Reduction of the gross financial debt,** with a 25% impact on determining the Target Bonus related to the Group's targets. **Group targets weigh:** - **30%** for Operations Area Directors; - **40%** for Corporate Area Directors, on the overall sum of the relevant STI DRS 2017.
	N.a.	**Business unit targets consistent with the Company's Business Plan, with the following weighting:** - 40% for Operations Area Directors; - 30% for Corporate Area Directors, Overall sum of the relevant STI DRS. The 2018 Targets have been defined in terms of: **Budget overheads, Budget operations including Lane, Bid Management Process, Process Organization.**
	Nn.a.	**Individual performance targets**, with a percentage equal to 30% of the overall amount of the 2017 STI DRS and mainly refer to manager conduct in terms of leadership and change management.
LTI Variable Component for 2018-2019	**LTI Plan for 2018-2019** **Indicators:** – Economic-financial targets: Cumulative EBIT, Cumulative Revenuess; – Risk targets: 'Change Management' Plan: redrawing the organization processes and "Succession Planning"; – Sustainability targets: Safety Leadership Program. **Start date:** January 1st, 2018; **Vesting period::** two-year period, to allow the alignement with the 2016-2019 Business Plan horizon following the expiry of the 2015-2017 Performance Share Plan. **Opportunity:** equal to 200% of the GAS, on a two-year period. **Disbursement:** determined at the end of the second year of reference, based on the attained results. **Clawback clauses:** if the relative sum has been determined based on data that has been later found to be incorrect due to the violation by the beneficiary, of company regulations, of contracts or of the law, or due to his/her seriously malicious conduct and misconduct aimed at altering the data used to measure if the targets have been reached. **Malus clauses:** no payout to subjects who evidenced a conduct which violated company regulations (especially the Code of Ethics, Organization Model pursuant to Lgs. D. 231/01 and Anti-corruption Model), of contracts or of the law or due to his/her malicious or seriously conduct which brought prejudice to the Company.	
Benefit	– Supplementary pension – Supplementary health care – Company car for personal use	– Insurance Cover – Housing

GLOSSARY

In order to make this Remuneration Report easier to understand and read, a definition for the most common terms is provided below:

“**Shares**”: without distinction, all Salini Impregilo ordinary shares without a par value.

“**Beneficiaries of the 2018-2019 LTI Plan**" or "**Beneficiaries**”: Employees and/or contract workers and/or directors vested with specific duties in the Company and its Subsidiaries, identified from the ranks of key personnel in a value-creation perspective.

“**Accrued Bonus**”: The amount of the Bonus determined by achieving the 2018-2019 Performance Shares Plan Objectives.

“**Target Bonus**”: The Bonus due to each Beneficiary of the 2018-2019 LTI Plan for the 100% achievement of the 2018-2019 Plan targets.

“**Corporate Governance Code**”: The Corporate Governance Code for listed companies established by the Corporate Governance Committee promoted by Borsa Italiana S.p.A.

“**Board of Statutory Auditors**”: The Company's acting Board of Statutory Auditors.

“**Compensation and Nominating Committee**” or “**CNC**”: the Company's acting Compensation and Nominating Committee.

“**Board of Directors**”: the Company's acting Board of Directors.

“**Subsidiaries**”: Without distinction, each company from time to time directly or indirectly owned by the Company, pursuant to art. 2359 of the Italian Civil Code, which has a relationship with one or more Beneficiary of the 2018-2019 LTI Plan.

“**Key Management Personnel**” or “**KMP**”: The individuals, other than directors and statutory auditors, that have the - direct or indirect - authority and responsibility for planning, managing and controlling the Company’s activities in line with the definition provided in Annex 1 to CONSOB Regulation on Related Party transactions adopted with resolution no. 17221 of March 12, 2010, as identified from time to time by the responsible bodies, with the exception of the statutory auditors.

“**Cumulative EBIT**”: with reference to the Group at consolidated level, the value of the operating profit for the period January 1, 2018 - December 31, 2019, determined based on the consolidated economic data (management view) as reported in the Directors’ Report; it does not include the non-recurrent profits and charges (e.g. From operations of restructuration, purchase and/or company or business unit divestment, asset depreciation or revaluation, special projects), using the same accounting principles.

"Group": the Company and its Subsidiaries.

"LTI": Long Term Incentive, i.e. The long-term variable component.

"2018-2019 LTI Plan Objectives": the objectives in terms of Cumulative Revenues and Cumulative EBIT, 'Management Change' Plan, redrawing of the organization processes and 'Succession Planning', Safety Leadership Program defined by the Board of Directors, based on whose achievement the Beneficiaries of the 2018-2019 LTI Plan shall be entitled to the award of the Accrued Bonus.

"Opportunity": amount of LTI that can be paid out, as 50% cash and 50% performance shares, if 100% of the Objectives of the 2018-2019 LTI Plan are achieved.

"Vesting Period": The period which starts on January 1st, 2018, and ends at the date of approval of the consolidated financial statements as at December 31, 2019.

"Change Management Plan": redrawing of the organization processes and definition of a Succession Planning process for key/critical positions.

"2018-2019 Long Term Monetary Incentive Plan" or **"2018-2019 LTI Plan":** the incentive scheme for Beneficiaries.

"2018 Remuneration Policy": the Salini Impregilo Remuneration Policy for 2018 approved by the Board of Directors meeting of March 23, 2018.

"Target Bonus": the bonus earned if objectives are 100% achieved.

"*Safety Leadership* Program": a program for the development of Leadership in Safety which uses the intellectual, experiencial and emotional resources of people for the purpose of achieving a strong cultural change with regard to safety.

"GAS": indicates the gross fixed annual remuneration for employees of a Company of the Salini Impregilo Group.

"Issuers' Regulation": The regulation implementing the TUF with respect to the discipline of issuers adopted by Consob with resolution no. 11971 of May 14, 1999, as subsequently amended.

"Cumulative Revenues": the Group's value of revenue consolidated level for the period January 1st, 2018-December 31, 2019, determined based on the consolidated economic data (management view) as reported in the Directors' Report; it does not include the non-recurrent profits and charges (e.g. from operations of restructuration, purchase and/or company or business unit divestment, asset depreciation or revaluation, special projects), using the same accounting principles.

"STI": Short Term Incentive, i.e. The short-term variable component.

"2018 STI": the Short-Term Incentive for the 2018 financial year.

"2018 CEO STI": the Short-Term Incentive for the 2018 financial year for the Chief Executive Officer.

"2018 KMP STI": the Short-Term Incentive for the 2018 financial year for General Managers and other Key Management Personnel.

"Company" or **"Salini Impregilo"**: Salini-Impregilo S.p.A.

"Succession Planning for critical positions": the measurement in percent of the level of hedging of the key/critical positions of the Group with identified successors as at December 31, 2019.

"TUF" or **"Consolidated Finance Act"**: Italian Legislative Decree no. 58 of February 24, 1998, and subsequent amendments and additions.

Introduction

This Remuneration Report was prepared in compliance with art. 123-ter of the TUF (Consolidated Finance Act) and art. 84-quater of the Issuers' Regulation, and subsequent amendments and additions, as well as with the recommendations under art. 6 of the most up-to-date version (July 2015) of the Corporate Governance Code. The Remuneration Report, approved by the Board of Directors on March 23, 2018, upon proposal of the Compensation and Nominating Committee, consists of two sections.

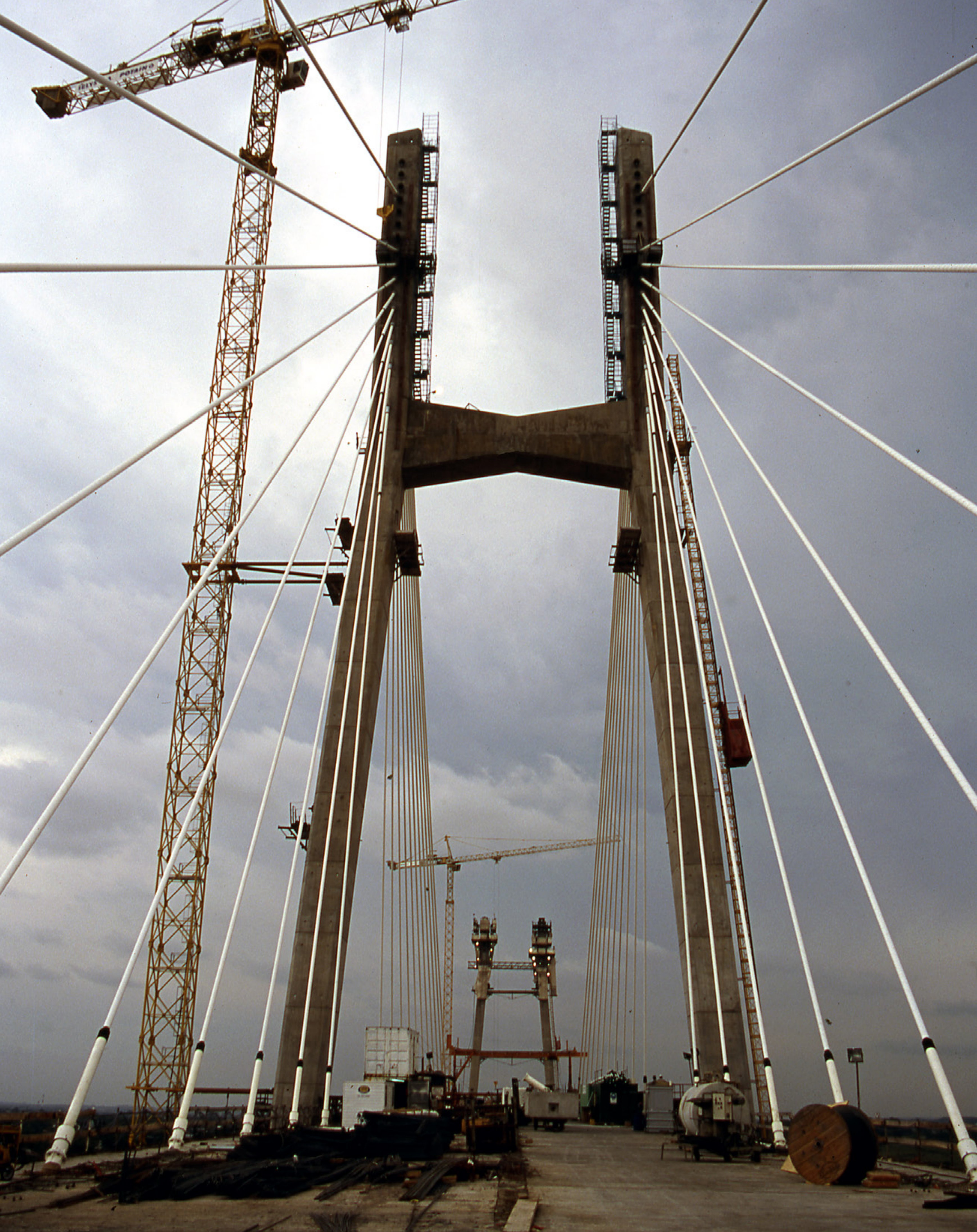
Section I details Salini Impregilo's remuneration policy for the 2018 financial year:
- For Board of Directors members, divided into the directors with specific duties (including executive directors) and non-executive directors of the Company. Pursuant to company Bylaws and according to the legal requirements, directors remain in office up to a maximum of three financial years; accordingly, the term of office of the current Board of Directors appointed by the Shareholders' Meeting of April 30, 2015, will end on the date of the Shareholders' Meeting called for the approval of the Financial Statements as at December 31, 2017;
- For General Managers;
- For other Company Key Management Personnel.

Section I also provides details on the procedures complied with by the Company for the adoption and implementation of the 2018 Remuneration Policy and the parties involved in the process.

Section II shows individual items that make up the remuneration paid by the Company to the members of the Board of Directors and of the Board of Statutory Auditors, as well as to General Managers and Key Management Personnel of the Company, analytically detailed for 2017, on whatsoever basis and in whatsoever form, in line with the policy approved by the Company for the relevant financial year.

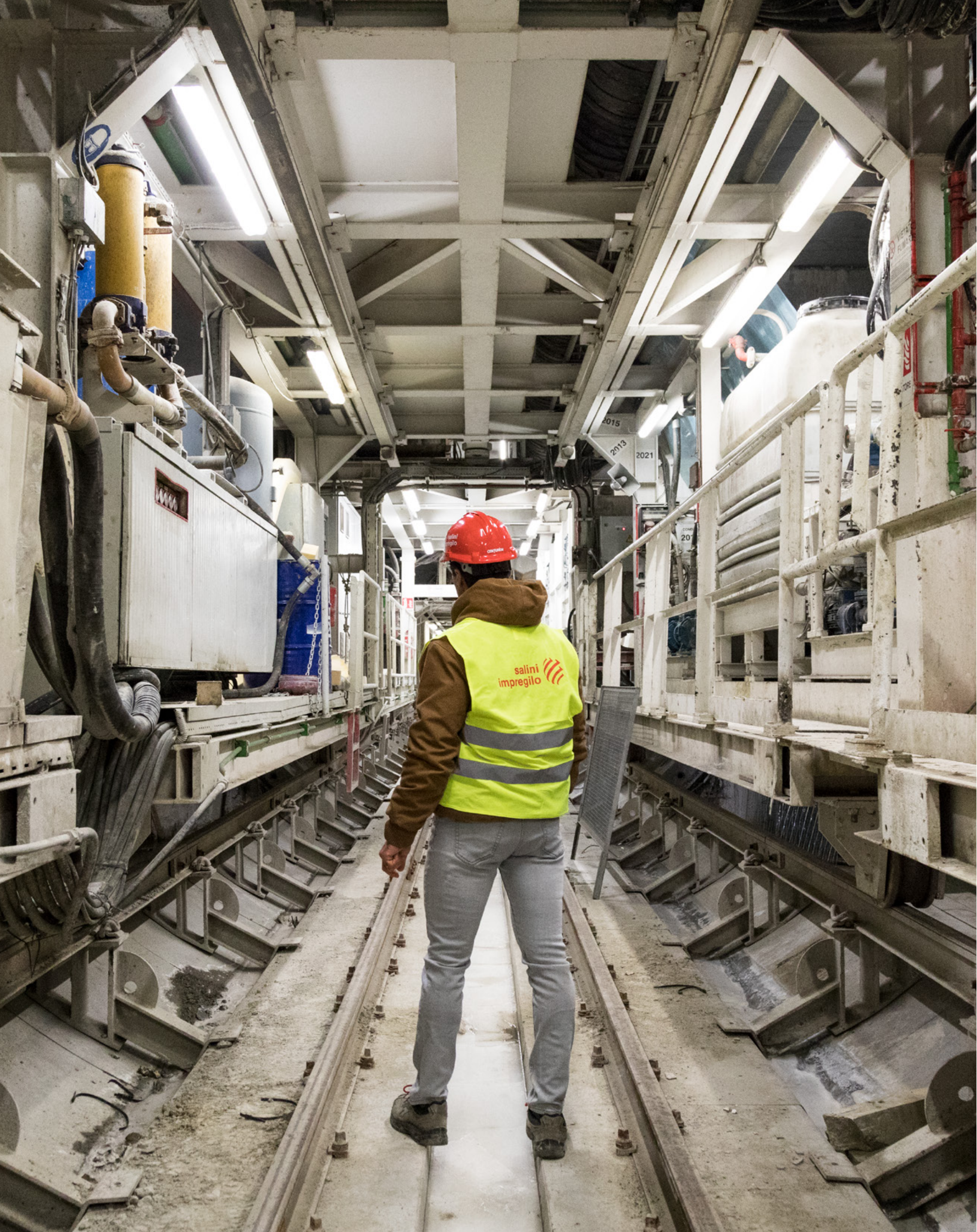
This Remuneration Report, moreover, (i) pursuant to paragraph 4 of art. 84-quater and Annex 3, Scheme 7-ter, of the Issuers' Regulation, shows in dedicated tables data about the equity investments held by members of the Board of Directors and the Board of Statutory Auditors, as well as by General Managers and other Key Management Personnel in the Company or in companies controlled by the latter.

Pursuant to Consob Regulation on Related Party transactions – adopted with resolution no. 17221 of March 12, 2010 – and the Procedure for Related Party Transactions implemented by the Company and available on its website (www.salini-impregilo.com, in the Governance



section), the adoption of the Remuneration Policy by Salini Impregilo exempts the company from implementing the provisions under the aforementioned procedures, with respect to Board of Directors' resolutions on the remuneration for directors vested with special powers and Key Management Personnel, pursuant to art. 13 of the aforementioned Consob Regulation and art. 11 of the Company's Related Party Transaction procedure.

The Remuneration Report has been made available to the public, in accordance with the time limits set by law, at the Registered Office and on the Company website www.salini-impregilo.com, in the Governance section, so that it can be examined in view of the Shareholders' Meeting called to approve the 2017 Financial Statements and to formulate an opinion, through a non-binding resolution, on the first section of the Remuneration Report, in accordance with current regulations.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SECTION I: 2018 REMUNERATION POLICY

The 2018 Remuneration Policy was approved by the Board of Directors, upon proposal of the Compensation and Nominating Committee, and shall be subject to the advisory vote of the Shareholders' Meeting.

It was drafted in compliance with previous years' Remuneration Policies.

The 2018 Remuneration Policy, therefore, represents a fundamental tool for bringing together and enhancing retention of a management team who is strongly motivated in pursuing goals and ready to take on new challenges and opportunities in order to further enhance the Company's competitive positioning.

The following paragraphs show the process implemented by the Company to define and approve the 2018 Remuneration Policy, the bodies and individuals involved, as well as underlying objectives and key principles.

1.1 GOVERNANCE OF THE REMUNERATION PROCESS

1.1.1 The Board of Directors

The Company has adopted a *governance* model designed to guarantee transparency, consistency at group level and adequate control in relation to the remuneration policy and its implementation.

The Shareholders' Meeting of Salini Impregilo of April 30, 2015 resolved on the appointment, for a term of three financial years and, therefore, up to the Shareholders' Meeting for the approval of the financial statements as at December 31, 2017, of the acting Board of Directors, initially consisting of Claudio Costamagna (Chairman), Pietro Salini (Chief Executive Officer), Marco Bolgiani, Marina Brogi, Giuseppina Capaldo, Mario Cattaneo, Roberto Cera, Laura Cioli, Alberto Giovannini, Nicola Greco, Pietro Guindani, Geert Linnebank, Giacomo Marazzi, Franco Passacantando, Laudomia Pucci.

On July 14, 2015, following the resignation of the Chairman, Mr Claudio Costamagna, the Board of Directors, convened on the same date, appointed Mr Alberto Giovannini, who was already a Company Director, as the new Chairman of the Board of Directors.

On February 24, 2016, moreover, the Director Laura Cioli tendered her resignation as well. On March 16, 2016, pursuant to art. 2386 of the Italian Civil Code, the Board of Directors co-opted Grazia Volo as Board Director replacing Claudio Costamagna, submitting to the Shareholders' Meeting called to approve the Financial Statements at December 31, 2015 any resolution on the composition of the Board of Directors.
The Ordinary Shareholders' Meeting held on April 28, 2016, appointed Mr Alessandro Salini and Ms Grazia Volo as new directors. The Board of Directors at the approval date of this Report is composed as follows:

Board of Directors

Chairman	Alberto Giovannini
Chief Executive Officer	Pietro Salini
Directors	Marco Bolgiani
	Marina Brogi
	Giuseppina Capaldo
	Mario Giuseppe Cattaneo
	Roberto Cera
	Nicola Greco
	Pietro Guindani
	Geert Linnebank
	Giacomo Marazzi
	Franco Passacantando
	Laudomia Pucci
	Alessandro Salini
	Grazia Volo

With regard to remuneration, in addition to approving the Remuneration Policy and presenting it to the Shareholders' Meeting, the Board of Directors is also responsible for:

(i) Distributing the total remuneration for the directors determined by the Shareholders' Meeting, pursuant to Article 2389, paragraph 1 of the Italian Civil Code, unless the Shareholders' Meeting has not already done so;

(ii) Determining the remuneration due to the Chief Executive Officer and to the directors vested with specific duties, in its various components, and also, specifically, to the members of the various committees appointed under the scope of the Board of Directors, pursuant to Article 2389, paragraph 3 of the Italian Civil Code;

(iii) Internal composition of the Remuneration Committee and the Nominating Committee, in addition to the definition of their respective responsibilities, in compliance with the recommendations of the Corporate Governance Code;

(iv) Reviewing the incentive plans to be submitted to the Shareholders' Meeting for approval;
(v) Defining a Remuneration Policy for Key Management Personnel, upon proposal of the Remuneration Committee.

1.1.2 The Compensation and Nominating Committee

1.1.2.1 Composition

The Board of Directors, in line with Corporate Governance Code recommendations, set up - for the first time in March 2000 - a Remuneration Committee.
With the resolution of July 18, 2012, the Board of Directors expanded the powers of said Committee with advisory functions on the appointment of Directors pursuant to Article 5 of the Corporate Governance Code and, as a result, this Body took on the name Compensation and Nominating Committee.

During the April 30, 2015 meeting, the Board of Directors confirmed the assignment to the aforementioned Committee of responsibilities both with respect to remuneration and appointments, identifying as its members all independent and non-executive Directors, in line with the most recent recommendations of the Corporate Governance Code, subject to verification of their possession of suitable skills and experience with respect to financial matters and compensation policies.
The CNC is therefore currently composed of the following Directors:

The Compensation and Nominating Committee

Chairman	Marina Brogi
Member	Nicola Greco
Member	Geert Linnebank
Member	Laudomia Pucci

The CV of each member of the CNC is available on the Company website at www.salini-impregilo.com.

1.1.2.2 Functions

In line with the provisions of the Corporate Governance Code, the CNC carries out advisory and proposal-making activities. With respect to remuneration, the CNC:
(i) Submits the Remuneration Report for the approval of the Board of Directors and therefore, specifically, the Remuneration Policy of Directors, General Managers and

other Key Management Personnel for presentation to the Shareholders' Meeting called to approve the financial statements for the year, under the terms laid down by law;

(ii) Periodically assesses the adequacy, overall consistency and actual implementation of the Remuneration Policy for Directors, General Managers and of the other Key Management Personnel, using the information provided by the Chief Executive Officer for this purpose;

(iii) Formulates proposals or expresses opinions to the Board of Directors on the remuneration of executive directors and other directors who have specific duties as well as on the setting of performance targets related to the variable component of this remuneration;

(iv) Monitors the application of the decisions taken by the actual Board verifying, in particular, the effective achievement of performance targets.

1.1.2.3 Operating procedures

The CNC has its own internal regulations.
Based on the provisions of the aforementioned regulations, the CNC meets with a cadence required to perform its mandate and, at any rate, each time its Chairman deems it necessary, or when at least two members of the Committee or the Chairman of the Board of Statutory Auditors request it.

The Chair of the Board of Statutory Auditors is invited to attend the Committee's meetings. Other members of the aforementioned Board may also attend at any rate.
No Director takes part in the CNC Meetings during which proposals about his/her remuneration to the Board of Directors are formulated.

The CNC is understood to have legitimately met in the presence of the majority of its members, and the related decisions are adopted through the vote in favor of the majority of those present.

In performing its mandate, the CNC may access all information and company functions required to perform its tasks and may also rely on independent consultants, should this be required for carrying out its duties, under the conditions established by the Board of Directors.

1.1.2.4 Activities conducted in 2017

In the course of 2017, the CNC met a total of 19 times with an average attendance rate of 97,2%.
The following activities related to the remuneration policies were carried out during 2017:
- Assessment of the results of the Shareholders' Meeting vote on the 2017 Remuneration Policy and analysis of the voting policy of key proxy advisors and institutional investors;
- Preliminary investigation regarding a possible update of the company's variable incentive schemes of other Key Management Personnel;
- Preliminary investigation regarding the objectives linked to variable incentive schemes of other Key Management Personnel;

- Definition of a long term incentive scheme aimed at aligning the variable incentive system with the time horizon of the 2016-2019 Business Plan;
- Assessment on the matter of Apical Manager working relationship termination;
- Definition of Guidelines for the 2018 Remuneration Policy for the Chief Executive Officer, General Managers and other Key Management Personnel, as well as the aforementioned 2018 Remuneration Policy;
- Preliminary investigation on the Remuneration Report to be submitted to the later approval of the Board of Directors.

Further information relating to the composition, operating rules and activities conducted by the CNC, especially with regard to the activities performed on nominations, is available in the 2017 Report on Corporate Governance published on the website www.salini-impregilo.com.

1.1.3 The Approval Process for the Remuneration Policy

The definition of the Remuneration Policy is the result of a clear and transparent process, structured in compliance of regulatory provisions and the recommendations of the Corporate Governance Code, in which the CNC and Board of Directors of the Company play a key role. Such Policy is adopted and approved by the Board of Directors on an annual basis, upon proposal of the CNC, and subsequently submitted to the advisory vote of the Shareholders' Meeting.

The Board of Statutory Auditors expresses its opinion on the Remuneration Policy, particularly with regard to the part concerning the remuneration of Directors vested with specific duties. The Board of Statutory Auditors monitors the actual implementation of the corporate governance rules laid down in the Corporate Governance Code, including the resolutions on compensation and other benefits.

The CNC, the Board of Statutory Auditors and the Board of Directors oversee the implementation of the Remuneration Policy.

During 2018, the CNC met 5 times before this Remuneration Report was approved. Specifically, the CNC defined the structure and the contents of the 2018 Remuneration Policy for the purpose of preparing this Remuneration Report in the meetings held on February 7, 2018, March 12, 2018 and March 21, 2018, in compliance with the lates recommendations of the Corporate Governance Code.

The CNC, while preparing this Report, particularly took into account:

- the resolution of the Shareholders' Meeting held on April 30, 2015, concerning the remuneration of the Chairman of the Board of Directors and the Directors;
- the resolution of the Shareholders' Meeting held on May 13, 2015, concerning the remuneration of the Directors vested with specific duties;
- the resolution of the Board of Directors held on December 14, 2016, and on March 23, 2018, with regard to the identification of other Key Management Personnel;
- the approval, on March 19, 2014, of the 2014-2017 Business Plan and the approval, on May 20, 2016, of the 2016-2019 Business Plan, to define the targets of the long-term variable incentives system, examined by the Board of Directors on December 17, 2015 and December 17, 2016 and March 15, 2018;

- the approval of the 2017 Salini Impregilo budget, to which the STI targets of the remuneration system for the 2017 financial year are linked;
- the resolution of the Board of Directors meeting of March 15, 2018, which, based on figures for the Financial Statements at December 31, 2017, ascertained and approved the level of achievement by the Chief Executive Officer and Key Management Personnel, of the 2017 STI targets and of the 2015-2017 LTI targets;
- the guidelines of the proxy advisors and main institutional investors;
- the approval by the Board of Directors held on July 26, 2017, of some of the determinations on the matter of agreement which might discipline *ex ante* the working relationship termination of Apical Managers others than the Chief Executive Officer.

The above activities were carried out together with the further ones in relation to nominations (as described in the Report on Corporate Governance and the 2017 Share Ownership Structure, to which reference should be made) were performed following an assessment of the applicable regulatory framework and of Corporate Governance Code recommendations, also taking into account the practices and recommendations contained in the 2017 Report on the evolution of the Corporate Governance of the Listed Companies issued by the Corporate Governance Committee.

The competent corporate functions therefore processed the information required by the CNC, in order to prepare the proposal on the 2018 Remuneration Policy, to be submitted to the Board of Directors.

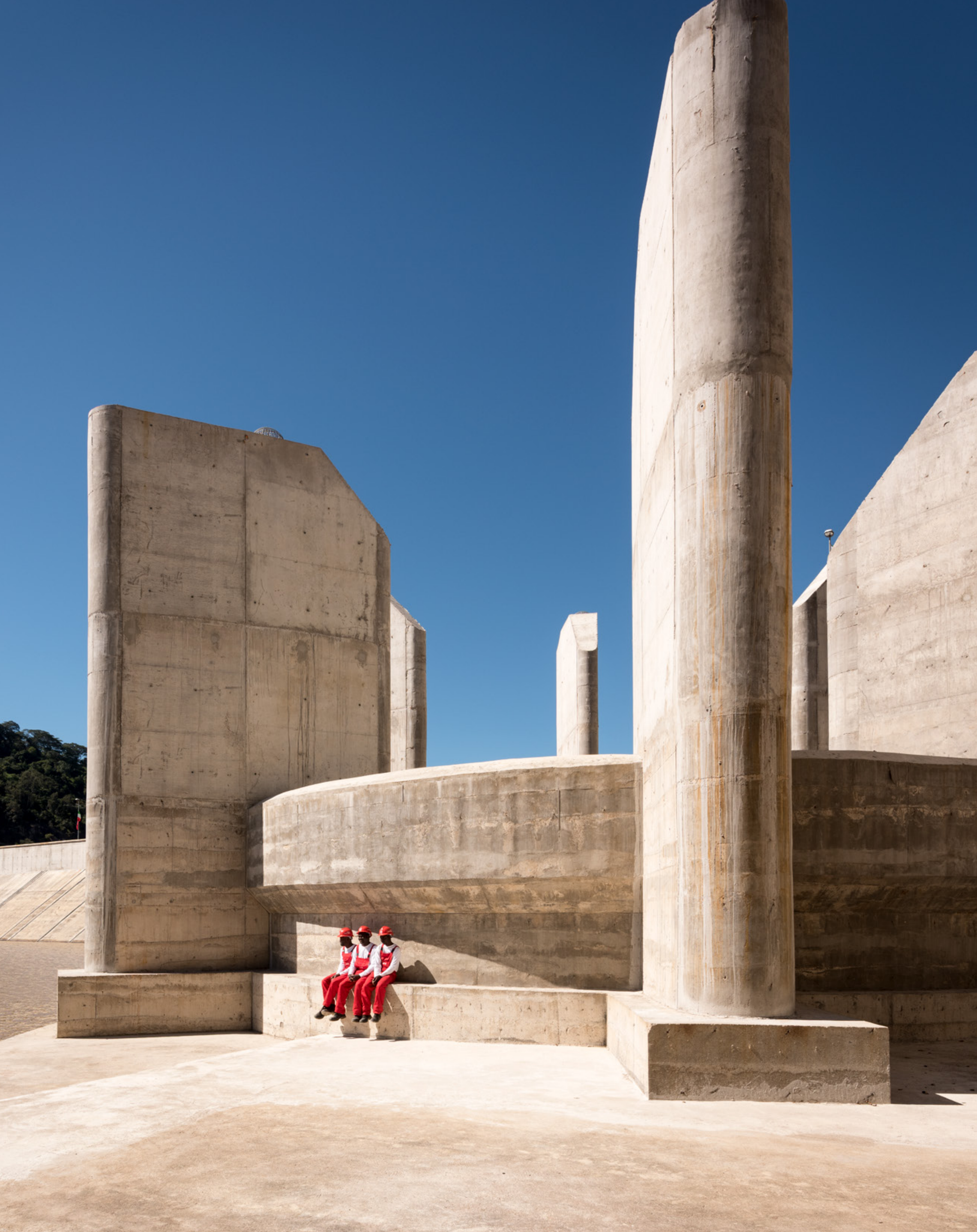
On March 21, 2018, the CNC, with the input of the competent corporate departments and the benchmark analysis conducted and following the outcome of the meetings held, defined, to the extent within its purview, the Guidelines for, as well as the Remuneration Policy, for submission to the Board of Directors.

The 2018 Guidelines and Remuneration Policy, developed in consistency and continuity with the 2017 Guidelines and Remuneration Policy, were thus approved by the Board of Directors, upon proposal of the CNC, in the meeting held on March 23, 2018, concurrently with the approval of this Remuneration Report.

The implementation of the remuneration policies defined in line with the guidelines of the Board of Directors, was entrusted to the bodies especially designated for the purpose, with the support of the competent corporate departments.

It is imperative to stress how the 2018 Remuneration Policy detailed in the Remuneration Report should be specifically considered against the current corporate, company, regulatory and legislative context (with specific reference to applicable accounting principles and their interpretation), as well as against the economic and business one, so that, in light of any changes to such context, it may be suitably adjusted to take into account external factors that are beyond Management control.

In addition to the above, let us specify that, under specific circumstances /i.e. extraordinary operations on the share capital, significant changes of the macro-economic and/or competitiveness scenario, extraordinary events with a significant impact, legislative or regulatory changes, etc.), the Board of Directors shall make to the 2018 Remuneration Policy the amendments and integrations deemed necessary and opportune to adjust it to the changed situation. Any change made to the 2018 Remuneration Policy, shall be promptly disclosed in the next Remuneration Report.



1.2 GENERAL PURPOSES AND PRINCIPLES OF THE 2018 REMUNERATION POLICY

1.2.1 Objectives of the 2018 Remuneration Policy

The Remuneration Policy is aimed at attracting and motivating qualified professional resources for pursuing Company and Group goals, as well as incentivizing retention of these resources and, therefore, the stability of their employment relationship with the Company.

With a view to sustainable value creation for the Company, the Remuneration Policy has also the objective of aligning *management* interests as much as possible with medium-long term interests of shareholders and stakeholders, through a performance assessment process that takes place not only on a yearly basis, but also over a longer time frame.

Specifically, the 2018 Remuneration Policy, in keeping with the remuneration plans approved in 2016 for Directors, General Managers and other Key Management Personnel, meets the need of considering, apart from the sector's specificity and complexity, also new and important development and integration challenges arising from the Group's expansion on the market, an activity whose performance requires the ability to manage complex integrated business processes aimed at developing large infrastructure works that require highly specialized know-how within a scenario of marked geographical and social-cultural differences.

It is particularly important to stress the fact that the Company currently intends to continue to base its Remuneration Policy on striking a balance between the goal of adequately pursuing the aforementioned attraction, incentivization, and retention objectives and the need to safeguard the Company's economic and financial position and its sustainability over time.

The long-term variable components of remuneration and the related goals and reference parameters, therefore, take on particular importance, especially for executive roles and those that have a greater impact on company results, from a perspective of sustainability of results, creation of medium-long term value for shareholders and stakeholders alike, and enhancement of the Group's reputation.

The consistency of remuneration payments with regard to market practices and trends is equally important for offices and roles of comparable levels in terms of responsibility and complexity, as identified through a remuneration analysis benchmark based on a panel of companies qualifying as peers or comparables of the Company that is regularly updated.

1.2.2 Remuneration Policy Principles

The 2018 Remuneration Policy of Salini Impregilo is defined on the basis of the following principles:

(i) **Fairness,** in terms of rewarding the knowledge and professional skills of individuals, as well as recognizing the roles and responsibilities assigned, the results achieved and the quality of the professional contribution given**;**

(ii) **Proportionality:** in terms of consistency and correspondence of the remuneration with the role performed, the complexity of the tasks assigned and the related responsibilities, as well as the skills and abilities demonstrated, without prejudice to compliance with national collective agreements in force, where applicable. Specifically, as regards**:**

- the Chief Executive Officer, General Managers and other Key Management Personnel, the remuneration structure is properly balanced between (i) a fixed component, consistent with the powers and/or responsibilities assigned and (ii) a variable component defined within the maximum limits and aimed at linking remuneration to actual performance, with greater weighting given to the long-term variable component, in line with the long-term cycles of the Company's business;
- the non-executive Directors, for whom remuneration is commensurate with the efforts required of them in relation to their participation in the board committees that they are members of, with appropriate differentiation between the remuneration envisaged for the Chairman, considering his/her role of co-ordinator and liaison with Company Bodies and Corporate Departments;

(iii) **Competitiveness**, in terms of essential balance of the remuneration levels in relation to those of the reference market for similar positions and roles with a similar level of responsibility and complexity, as analyzed through a benchmark analysis conducted - and periodically reviewed - using a panel of large-cap Italian and European listed companies qualifying as peers or comparables in terms of business sector and industrial complexity**;**

(iv) **Meritocracy,** in terms of consistent rewarding of results obtained from actions put in place for their achievement, (which must be oriented towards constant compliance with existing regulations and procedures), with a definition of the performance targets based on the assumptions and general conditions known at the moment of said definition and with the elimination, even when assessing the performance targets assigned falling within the manager's control, in order to guarantee comparability of results and the valorization of the actual company performance linked to managerial activity**;**

(v) **Sustainability:** in terms of consistency of overall remuneration payments made with the primary need of maintaining the economic-financial balance of the Company over time;

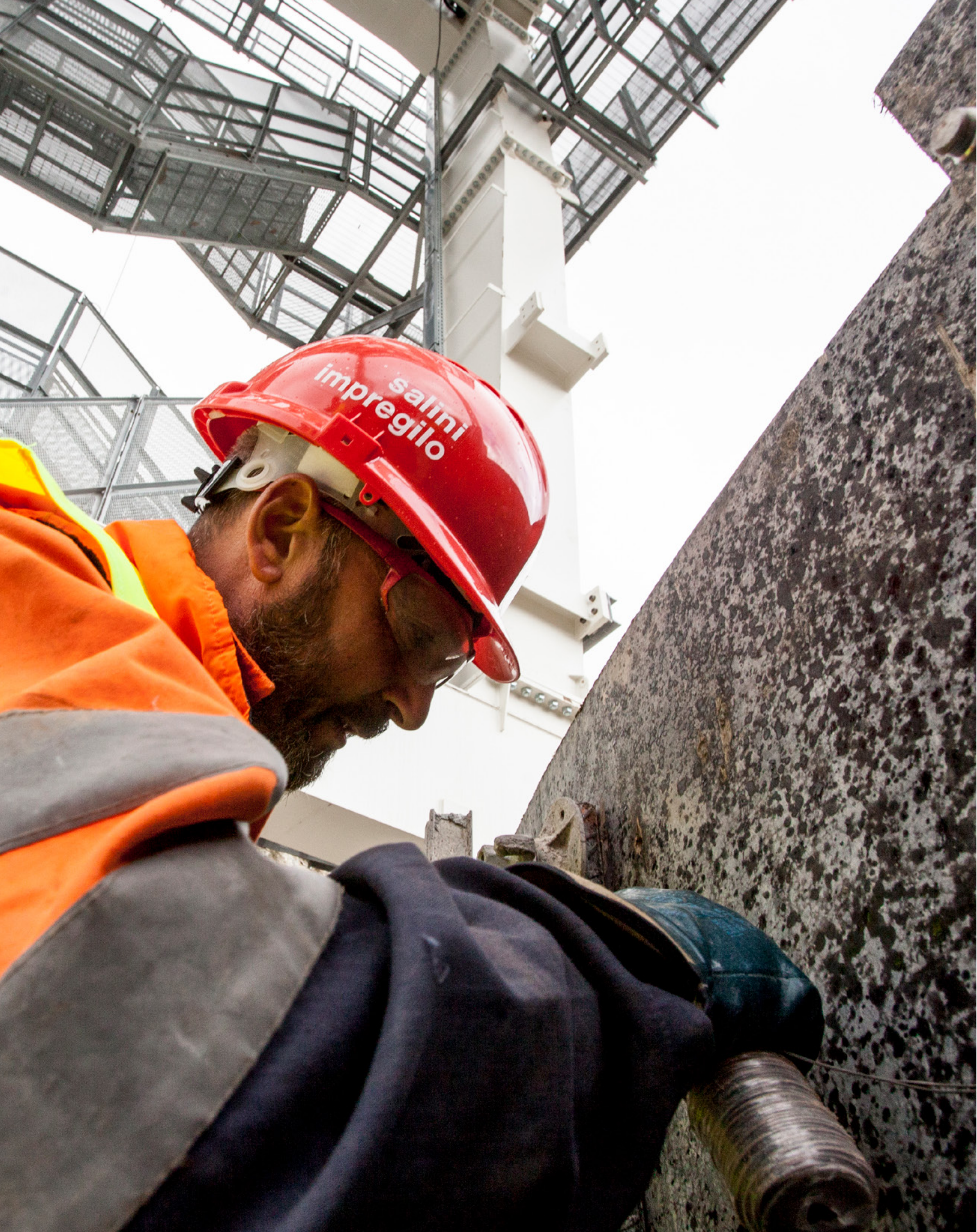
(vi) **Transparency,** in terms of**:**

- recognition of the incentives linked to variable remuneration following a scrupulous

process of verification of the results achieved, carried out also through the assistance of structures responsible for analyzing and certifying the fairness and consistency of the data and methods used to calculate the above-mentioned incentives;
- the provision of clawback clauses which will permit the Company to reclaim, in whole or in part, variable components of remuneration that were awarded to individuals who, whether intentionally or through gross negligence, altered the data used to achieve objectives or carried out behaviors in breach of company, contractual or legal regulations.

1.2.3 Balance between the Fixed Component and the Variable Component of Remuneration (i.e. Pay mix), also with reference to sector practices

Balance between the fixed component and the variable component of remuneration was already determined in the 2013 Remuneration Policy, also taking into account a benchmark drawn from 37 FTSE MIB Italia companies, a panel of 18 middle capitalization companies (MID-CAPS) and one of 11 large foreign companies (PEERS) operating in the same sector as the Company.
This compensation structure was confirmed following the updating of the benchmark analysis conducted on a panel of large-cap Italian and European listed companies qualifying as peers or comparables in terms of business sector and industrial complexity. For consistency and homogeneity reasons, the aforementioned panel was used in order to assess the compensation of the Chief Executive Officer, General Managers and other Key Management Personnel.
Specifically, in implementing these criteria, the overall pay of the Chief Executive Officer, General Managers and other Key Management Personnel was determined according to the following (theoretical, i.e. Possible upon 100% achievement of all targets linked to variable remuneration components) remuneration mix:
- 1/3 as the fixed component;
- 1/3 as the short-term variable component (short-term incentive, "**STI**");
- 1/3 as the long-term variable component (long-term incentive, "**LTI**").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1.3 GUIDELINES OF THE 2018 REMUNERATION POLICY

1.3.1 Fixed Remuneration Components

In line with the recommendations of the Corporate Governance Code, the fixed remuneration component is determined to an extent that sufficiently rewards the performance, even when the variable component should not be awarded due to failure to meet the relevant targets.

The fixed component is established:
- for the Directors (and, possibly, for the Chairman as well) by the Shareholders' Meeting convened to appoint the Board of Directors;
- for the Directors vested with specific duties, with a resolution of the Board of Directors, upon proposal of the CNC and with positive opinion of the Board of Statutory Auditors, upon appointment or subsequently, as an overall yearly amount;
- for General Managers and other Key Management Personnel, upon hiring, subject to any reviews based on performance, change of office with a wider job content, as well as on the basis of relevant retribution market trends or other possible factors, all of the above in line and in compliance with Remuneration Policy guidelines;
- for the Board of Statutory Auditors, by the Shareholders' Meeting convened to appoint the aforementioned Board.

The fixed remuneration for the Chief Executive Officer, General Managers and other Key Management Personnel is determined by using that of other similar offices in the panels of peer and comparable companies as a reference, also taking into account (i) professional characteristics and specialization, (ii) role performed and relevant responsibilities (iii), performance, as well as (iv) availability on the market of similar candidates and company risk in the event of termination of the employment relationship, as well as (v) size and management complexity of the Company.
Given the aims of attracting and retaining qualified and experienced managers, the Company constantly monitors market conditions for the purpose of aligning itself with best practice.

As far as non-executive Directors vested with specific duties are concerned (and always in keeping with Corporate Governance Code recommendations), relevant compensation is not linked to the Company's financial results and is commensurate with the commitment required in relation to participation in the Board Committees, with different compensation for the Chairman and the members of each Committee, taking into consideration his/her role in co-ordinating proceedings and liaising with Company Bodies and corporate departments.
Directors, General Managers, Key Management Personnel and statutory auditors are also entitled to out-of-pocket expenses linked to the role performed.

As a policy, the Company does not award additional compensation to the Chief Executive Officer, General Managers and Key Management Personnel for additional posts held within the Group.

1.3.2 Variable Remuneration Components

The variable component of remuneration has the aim of creating a direct link between compensation and performance by using the Management by Objectives (**"MBO"**) tool or long-term incentive schemes.

1.3.2.1 Short-term variable components of remuneration

Short-term variable remuneration of the Chief Executive Officer (2018 STI CEO) is directly linked to the achievement of annual Group objectives measured on a set of metrics focused on the Group's financial and operating performance (Key Performance Indicators, hereinafter also "**KPI**") defined in compliance with the Company's Business Plan.
With respect to General Managers and other Key Management Personnel, relevant short-term incentive plans (**2018 KMP STI**) follow a so-called "cascading" results measurement logic, i.e. Are based on the achievement of (i) the Group annual results in line of the aforementioned kpis; (ii) the results of the specific business unit, defined in line with the Company's Business Plan and (iii) the results linked to individual performance.

This system - in line with the most recent best practices - allows the incentive of individual performance, on one side, to be adequately balanced against sustainability, on the other. The targets - both quantitative and qualitative ones - are predetermined, can be measured and are differentiated based on the various skills and operational fields of the respective recipients, thereby allowing, on one side, to monitor multiple aspects of corporate and individual performances and, on the other, to identify the contribution by each General Manager/Key Management Personnel with regard to achieving general strategic targets pursued by the Company.

The quantitative determination of Group 2018 STI objectives is defined by the Board of Directors, after consultation with the Compensation and Nominating Committee. With regard to the business unit and individual performance quality and quantity targets for General Managers and other Key Management Personnel are established by the Board of Directors, upon a proposal of the Chief Executive Officer and upon previous preliminary inquiry of the Compensation and Nominating Committee.

There is a minimum performance threshold (below which no sum is awarded) positioned close to the target figure. On reaching this minimum threshold, a bonus will be paid that is far lower than the target bonus, which only accrues when 100% of the targets are achieved.
At the end of each financial year, the Board of Directors, having first consulted the Compensation and Nominating Committee, ascertains the achievement level of set targets in view of paying the relevant STI compensation.

With regard to short-term variable components of remuneration, clawback clauses are envisaged to allow the company to ask for a partial or total return of these variable components of the remuneration (or not to pay these variable components) whose total sum was determined based on data that were subsequently found to be incorrect due to the violation of the beneficiary in breach of company regulations, contracts, or the law, or due to his mischievous conduct or seriously malicious conduct aimed at altering data to reach targets.

No compensation is paid to subjects whose conduct breaches company regulations (particularly if they breach the Code of Ethics, the Organisational Model of Legislative Decree 231/01 and of the Anticorruption Models) and damage the company. No deferment mechanisms over more than one year are envisaged for the disbursement of the variable part of the remuneration.

1.3.2.2 The long-term variable components of remuneration

The long-term variable component, which can be monetary or consist of Company shares, is based on plans aimed at (i) focusing the attention of beneficiaries on strategic interest factors, (ii) promoting loyalty, (iii) aligning remuneration to the creation of medium-long term value for shareholders and stakeholders and (iv) guaranteeing an overall competitive level of remuneration.

Similar to the provisions for the STI, the long-term variable component is also linked to achieving certain results at Group level, consistently with those set out in the Business Plan. The awarding thereof is approved by the Board of Directors, on proposal of the Compensation and Nominating Committee, subject to verification that the minimum performance level has been attained.

The long-term variable component accrues and is issued in one go at the end of the time horizon of the long-term plan.
With regard to short-term variable components of remuneration as well, clawback clauses are envisaged to allow the company to ask for a partial or total return of these variable components of the remuneration (or not to pay these variable components) whose total sum was determined based on data that were subsequently found to be incorrect due to the violation of the beneficiary in breach of company regulations, contracts, or the law, or due to his mischievous conduct or seriously malicious conduct aimed at altering data to reach targets.

The Company can decide not to pay subjects whose conduct breached company regulations (especially the Code of Ethics and the Organizational Model pursuant to Legislative Decree 231/01), or contractual clauses or the Law or carried out wilful misconduct or seriously malicious behaviour to damage the company.

1.3.2.2.1 2018-2019 Long Term Incentive Plan

On March 23, 2018, the Board of Directors defined, upon a proposal of the Compensation and Nominating Committe, for the benefit of salaried personnel, collaborators and/or managers holding a particular office of Salini Impregilo and its Subsidiaries (**"Beneficiaries of the 2018-2019 LTI Plan"**), a Long Term Monetary Incentive Plan (hereunder **"2018-2019 LTI Plan"**) which would last two years starting on January 1st, 2018 and ending on December 31, 2019.

Consistently with the principles indicated at the preceding point 1.3.2.2, the 2018-2019 LTI Plan aims at aligning the incentive system on the last two years of the undergoing 2016-2019 Business Plan to completely align the time frame of the latter with the incentive system.

The achievement of the 2018-2019 LTI Plan objectives will be assessed at the time of approval of the consolidated financial statements as at Decembre 31, 2019.
The purpose of the Plan is to pay a Target Bonus to the Beneficiaries, at the expiration of the Performance Period and upon achieving 100% of the 2018-2019 LTI Plan's objectives.

The amount of the Accrued Bonus each Beneficiary shall be entitled to shall be determined by the Board of Directors, after consulting the Compensation and Nominating Committee, at the end of the Vesting Period and based on the level of achievement of the Objectives.

Three indicator macro-typologies weighing respectively 60%, 20% and 20% are provided. Each Objective will be relevant for the purpose of determining the Accrued Bonus and Accrued Shares as shown in the table below:

Level of a achievement for 2018-2019 Cumulative Revenues	% Accrued Shares Versus Target Shares
Less than 80%	0%
Equal to 80%	15%
Equal to 100%	30%
Equal to or more than 120%	42%
Between 80% and 100%	Linear interpolation of extreme values between 15% e 30%
Between 100% and 120%	Linear interpolation of extreme values between 30% e 42%

Achievement level for 2018-2019 Cumulative EBIT	% Accrued Shares Versus Target Shares
Less than 80%	0%
Equal to 80%	15%
Equal to 100%	30%
Equal to or more than 120%	42%
Between 80% and 100%	Linear interpolation of extreme values between 15% e 30%
Between 100% and 120%	Linear interpolation of extreme values between 30% e 42%

'Change Management' Plan: redrawin g of the organization processes and Succession Planning	% Accrued Shares Versus Target Shares
Less than 80%	0%
Equal to 80%	10%
Equal to 100%	20%
Equal to or more than 120%	28%
Between 80% and 100%	Linear interpolation of extreme values between 10% and 20%
Between 100% and 120%	Linear interpolation of extreme values between 20% and 28%

Safety Leadership Program	% Accrued Shares Versus Target Shares
Less than 80%	0%
Equal to 80%	10%
Equal to 100%	20%
Equal to or more than 120%	28%
Between 80% and 100%	Linear interpolation of extreme values between 10% and 20%
Between 100% and 120%	Linear interpolation of extreme values between 20% and 28%

The objectives of the Chief Executive Officer will be exclusively of an economic and financial nature as per the following table:

Level of achievement for 2018-2019 Cumulative Revenues	% Accrued Shares Versus Target Shares
Less than 80%	0%
Equal to 80%	25%
Equal to 100%	50%
Equal to or more than 120%	70%
Between 80% and 100%	Linear interpolation of extreme values between 25% and 50%
Between 100% and 120%	Linear interpolation of extreme values between 50% and 70%

Achievement level for 2018-2019 Cumulative EBIT	% Accrued Shares Versus Target Shares
Less than 80%	0%
Equal to 80%	25%
Equal to 100%	50%
Equal to or more than 120%	70%
Between 80% and 100%	Linear interpolation of extreme values between 25% and 50%
Between 100% and 120%	Linear interpolation of extreme values between 50% and 70%

Non-achievement of one of the Objectives at a level of at least 80% will not result in loss of the entitlement to the Accrued Bonus and Accrued Shares, which shall be determined based on the achievement level for the other Objective (if equal to at least 80%) based on the aforementioned table.

The 2018-2019 LTI Plan opportunity is equal to 200% of GAS, on a two-year basis.

The 2018-2019 LTI Plan, moreover, includes:

- Clawback clauses which allow the Company to decide whether to ask for the total or partial refund of the variable components of not to pay them when the relevant amount was determined was determined according to data subsequently found to be incorrect due to breach of company regulations, contracts or the law or due to malicious or seriously mischievous conduct aimed at altering data for measuring targets.

- Malus clauses: no payout to subjects who evidenced a conduct which violated company regulations (especially the Code of Ethics, Organization Model pursuant to Lgs. D. 231/01 and Anti-corruption Model), contracts or lthe law or due to his/her malicious or seriously conduct which brought prejudice to the Company.

The Board of Directors meeting of March 23, 2018, based on the proposals formulated by the Compensation and Nominating Committee and with the positive opinion of the Board of Statutory Auditors, started to implement the 2018-2019 LTI Plan by identifying its relevant Beneficiaries and by issuing the necessary mandates for its execution.

The objectives of the 2018-2019 LTI Plan are linked to the Business Plan in order to anchor the results to the level of achievement of the strategic onbjectives, and are defined as follows:

Macro Typologies	Objectives	Description	Reference and measuring target	
			2018-2019	Weight per 'target'
Economic and Financial	2018-2019 Cumulative Revenues	Value of the Total Revenue, in reference to the Group at the consolidated level (management view) in the period from 1/1/2018 to 31/12/2019 resulting from the approved consolidated financial statements of the Company in relation to the 2018 and 2019 financial years	Value of the total revenue for 2018-2019 vs target	30%
	2018- 2019 Cumulative EBIT	Value of the operatinf results, in reference to the Group at the consolidated level (management view) in the period from 1/1/2018 to 31/12/2019 resulting from the approved consolidated financial statements of the Company in relation to the 2018 and 2019 financial years	Value of the operating result for 2018-2019 vs target	30%
Risk	'Change Management' Plan: redrawing the organization processes and 'Succession Planning'	Efficient and effective implementation of the Change Management process through the review of the organization processes and the definition of a Succession Planning for key/critical positions as at 31/12/2019	% of critical positions taken by identified successors and % of implementation of the process review plan	20%
Sustainability	Safety Leadership Program	Efficient and effective implementation of the Safety Leadership Program	% of implementation of the Safety Leadership Program	20%
			Total	100%

With regard to the Chief Executive Officer, the objectives have been defined as follows:

Macro Typologies	Objectives	Description	Reference and measuring target	
			2018-2019	Weight per 'target'
Economic and financial	2018-2019 Cumulative Revenues	Value of the Total Revenue, in reference to the Group at the consolidated level (management view) in the period from 1/1/2018 to 31/12/2019 resulting from the approved consolidated financial statements of the Company in relation to the 2018 and 2019 financial years	Value of the total revenue for 2018-2019 vs target	50%
	2018-2019 Cumulative EBIT	Value of the operatinf results, in reference to the Group at the consolidated level (management view) in the period from 1/1/2018 to 31/12/2019 resulting from the approved consolidated financial statements of the Company in relation to the 2018 and 2019 financial years	Value of the operating result for 2018-2019 vs target	50%
			Total	100%

With regard to Key Management Personnel identified as beneficiaries of the 2018-2019 LTI plan, please refer to paragraph 1.5.4.2.
Given the presence of an interest with respect to the 2018-2019 LTI Plan, as Beneficiary of such Plan, the Chief Executive Officer participated in the relevant Board discussion, whilst abstaining from voting on all the aforementioned points. Besides, with the exception of the mandate granted to the Chief Executive Officer for the identification of additional Beneficiaries of the 2018-2019 LTI Plan and the determination of their respective Target Bonus, the Chief Executive Officer does not play any role in managing the Plan.

1.4 OTHER TYPES OF DISCRETIONARY, OCCASIONAL AND NON-RECURRENT REMUNERATION

Considering the complexity of the Group's business activities, and the equity and meritocratic principles which inspire the Remuneration Policy, the Board of Directors, upon a proposal of the Compensation and Nominating Committee, with regard to the Chief Executive Officer and upon a proposal of the Chief Executive Officer, with regard the other Key Management Personnel, may arrange monetary disbursements as occasional, discretionary and non-recurring prizes, which add to the variable components of the remuneration, no higher however than 140% of the GAS on an annual basis.

This can be provided for in the event of extraordinary results and/or individual performance (that are not already included in the aforementioned variable components) such that they can have a substantial impact on the Company's value and activity levels and/or relevant profitability, and, therefore, of an extent that justifies an additional payout.

In this case, appropriate disclosure relating to the amount, reasons and criteria for determining any such extraordinary bonuses should be provided in the first Remuneration Report following the payout.

1.4.1 The Policy on Non-Monetary Benefits and Insurance Cover, or Social Security or Pension Payments other than Statutory Ones

With the aim of offering overall remuneration that is as competitive as possible and in line with national and international best practices, the total pay of Directors, General Managers and Key Management Personnel is supplemented by non-monetary benefits.
Directors receive insurance cover for work-related and non work-related accidents which result in death or permanent invalidity.

The Chief Executive Officer and other Key Management Personnel, in line with the provisions of the Collective Agreement for Managers of Companies Producing Goods and Services (the "Managers' CCNL") applied by the Company, are guaranteed insurance cover in case of death or permanent invalidity that would reduce their working ability by more than 2/3 as a result of a work-related accident or illness.

In compliance with sector best practices, the Company also has a “D&O” (Directors & Officers) insurance policy to cover any liability with regard to third parties (and the Company) for the non-culpable conduct of the aforementioned individuals.

The Chief Executive Officer, General Managers and other Key Management Personnel may also be assigned company cars for both personal and business use, as well as housing, in accordance with company policies applicable from time to time.

1.4.2 The Policy Relating to Payments in Case of Termination of Office or Termination of Employment

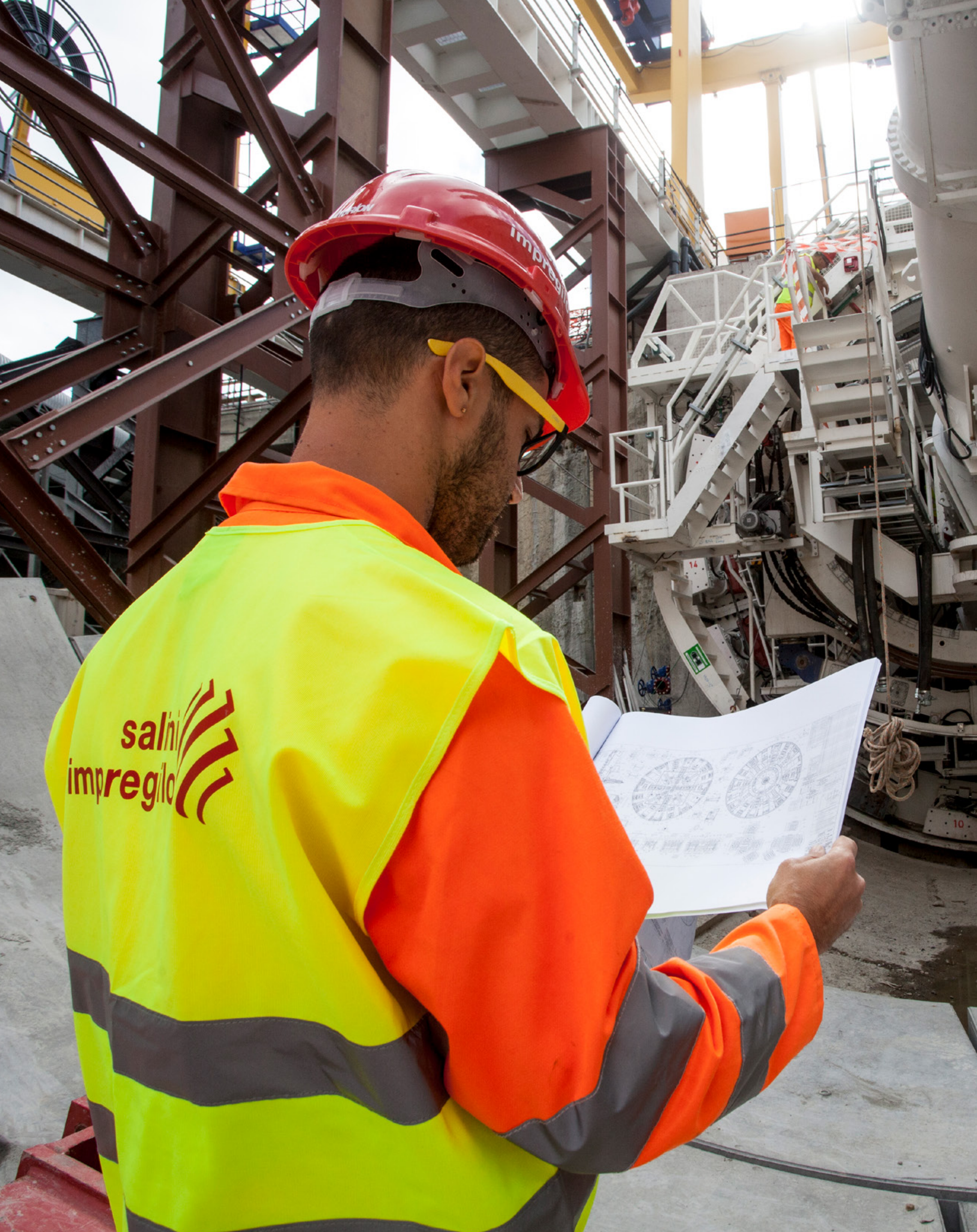
In the case of a possible anticipated termination of office or of termination of employment initiated by the Company or by the individual, the provisions of the regulations in force as well as those of the Managers' CCNL shall apply. The agreements for the mutual termination of the employment relationship do not entail "parachutes" and are entered into in compliance with current regulations and relevant reference benchmarks.

With respect to the effect of the termination of the employment relationship or the office of Director on the 2018-2019 LTI Plan before the end of the relevant Vesting Period, given that the right to receive the bonus is intrinsically and functionally linked to the continuation of the employment relationship of the Beneficiaries with the Company or its Subsidiaries, unless the Board of Directors resolves in a more favourable way for the Beneficiaries, the following scenarios are possible:

- the event of termination of the Relationship before the end of the Vesting Period based on one of the following scenarios ("Good Leaver"):
- justified dismissal due to objective reasons by the CCNL applicable to the Employment Relationship;
- unjustified dismissal pursuant to the CCNL applicable to the Employment Relationship (i.e. Without just cause and not justified by subjective or objective reasons);
- dismissal for exceeding the protected period;
- revocation or non-renewal of the office of Director without just cause;
- early termination of the freelance work agreement by the Principal without just cause;
- end of the natural term of the freelance work agreement;
- resignation for just cause pursuant to art. 2119 of the Italian Civil Code;
- voluntary resignation, only if the Beneficiary possesses the legal pensionable requirements and submits a request for access to pension benefits within the following 30 days;
- death or permanent invalidity;

(i) the Beneficiary (or his/her heirs) may be eligible to retain a pro rata temporis share of the accrued bonus and Accrued Shares;

(ii) in the event of termination of the Employment Relationship before the end of the Vesting Period based on a scenario other than the ones described above, the Beneficiary shall lose the right to receive the Accrued Bonus on a permanent basis.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1.5 THE PRACTICAL APPLICATION OF REMUNERATION GUIDELINES

1.5.1 Remuneration of the Chairman of the Board Of Directors

1.5.1.1 Shareholders' Meeting remuneration for office

The Salini Impregilo S.p.A. Shareholders' Meeting held on April 30, 2015, approved a gross annual remuneration for the Chairman of the Board of Directors, in office until the approval of the financial statements as at December 31, 2017, of € 400,000.00 (four hundred thousand/00).

1.5.1.2 Payment in the case of termination of office

There are no existing agreements which provide for compensation if the term of office ends prematurely.

1.5.1.3 Benefits

Insurance cover and welfare payments are provided for the Chairman at a cost of € 10,783.00 to the company.

1.5.2 Remuneration of Non-Executive Directors

1.5.2.1 Shareholders' Meeting remuneration for office

The Salini Impregilo S.p.A. Shareholders' Meeting held on April 30, 2015, approved a gross annual remuneration for the Chairman of the Board of Directors, in office until the approval of the financial statements as at December 31, 2017, of € 60,000.00 (sixty thousand/00).

1.5.2.2 Remuneration to participate in the Board Committees

Overall compensation for members of Internal Committees of the Company are as follows[2]:

- Control and Risk Committee
  - Chairman: Euro 60,000.00 (sixty-thousand/00) gross/year;
  - Other members: Euro 45,000.00 (forty-five thousand/00) gross/year;
- Compensation and Nominating Committee
  - Chairman: Euro 35,000.00 (thirty-five thousand/00) gross/year;
  - Other members: Euro 15,000.00 (fifteen thousand/00) gross/year;
- Committee for Related - Party Transactions
  - Chairman: Euro 15,000.00 (fifteen-thousand/00) gross/year;
  - Other members: Euro 10,000.00 (ten thousand/00) gross/year;

2 Remunerations were resolved by the Board of Directors of May 14, 2015, upon proposal of the CNC after having received the positive opinion of the Board of Statutory Auditors.

The aforementioned payments resulted in a reduction of the total remuneration paid for Governing Bodies compared to the previous term, also considering the elimination of the attendance fee.

1.5.2.3 Payment in the case of termination of office

There are no specific termination benefits for non-executive directors or agreements which make provision for compensation if the term of office ends prematurely.

1.5.2.4 Benefits

Insurance cover and welfare payments are provided for non-executive Directors at a cost of € 10,783.00 each to the company.

1.5.3 Remuneration of the Chief Executive Officer

The Board of Directors' meeting on April 30, 2015 appointed Pietro Salini as Chief Executive Officer of the Company, thereby conferring upon him the powers of legal representation of the Company, and the signatory powers with regard to third parties and for legal matters, as well as vesting him with the powers for managing of corporate operations, with the right to delegate the responsibility for the organization and conduct of certain business units. The Chief Executive Officer is currently the sole Executive Director of the Company. The overall remuneration of the Chief Executive Officer, in the form of a gross annual salary (the "GAS") for his duties as director and fees pursuant to Article 2389, paragraph 3, of the Italian Civil Code for his activities as Chief Executive Officer (overall the "Remuneration Payments") is described in paragraphs §§1.5.3.1 And 1.5.3.2.

1.5.3.1 Fixed components of Remuneration Payments

The amount of the GAS due to the Chief Executive Officer with respect to the management employment contract with the Company and in light of the duties that are the subject of such contract, was determined as € 650,000.00 (six hundred and fifty thousand/00).
The amount of fixed compensation due to the Chief Executive Officer for the performance of his Chief Executive Officer duties is € 1,350,000.00 (one million and three hundred fifty thousand/00).
It must be added to this amount the remunerations pursuant to art. 2389, comma 3, of the Italian Civil Code, to be paid in relation to his participation, in his capacity as member or Chairman, to the activities of the internal committees, as well as in relation to his capacity as Director.

1.5.3.2 Variable components of Remuneration Payments

The Chief Executive Officer, precisely in this capacity and as payment for exercising his powers, is also entitled to receive a variable remuneration, always pursuant to Article 2389 of the Italian Civil Code, in terms of STI and LTI payments.
The 2018 STI of the Chief Executive Officer is paid out based on the achievement of Group objectives, since performance and business unit objectives envisaged for General Managers and other Key Management Personnel do not apply to the Chief Executive Officer.
The amount of the 2018 STI for the Chief Executive Officer was confirmed - taking as basis for the calculation the fixed part of his remuneration, resulting from the sum of the GAS and the fixed fee for the mandate - as € 2,000,000.00 (two million/00) upon achieving 100% of the targets.
The payment and amount of the STI for 2018 are subject to and measured against reaching of the fixed targets in terms of:
- EBIT, with a weighting of 50% on the overall amount of the 2018 STI;
- Book to Bill ratio, with a weighting of 25% on the overall amount of the 2018 STI);
- reduction of the gross financial debt, as recorded at year end, with a weighting of 25% on the overall amount of the 2018 STI.

The right to receive the 2018 STI accrues on the basis of the results achieved in the previous year and assessed according to a performance scale with the range varying from a minimum of 80% (**minimum performance**) to a maximum of 120% (**maximum performance**), with the corresponding payout of a variable remuneration from 50% to 140% respectively of GAS, calculated by linear interpolation for pre-set intervals. Should performance in terms of the relevant targets be below the 80%, no amount linked to that objective shall be paid.
The quantitative determination of Group 2018 STI objectives is defined by the Board of Directors, after consultation with the Compensation and Nominating Committee.
With respect to the long-term incentive plan, the Board of Directors identified the Chief Executive Officer as Beneficiary of the 2018-2019 LTI Plan as described in paragraph 1.3.2.2.1 to which it should be refered.
The Chief Executive Officer may also receive discretional, occasional and one-off compensation payments, as set out in Paragraph 1.4.

1.5.3.3 Remuneration to participate in the Board Committees

At the time of drawing up of this Report, the Chief Executive Officer doesn't hold any positions within the internal Committees.

1.5.3.4 The treatment provided for in case of termination of office and of subordinate employment

There are no specific payments for the termination of office of the Chief Executive Officer, nor are there agreements which involve compensation if the term of office ends prematurely or termination of the office and/or mandate or in the case of lack of renewal.

However, due to the fact that the Chief Executive Officer has a subordinate work contract with the Company he also benefits from the ordinary safeguarding regulations for executives in case of dismissal set within the national collective bargaining agreements (CCNL Dirigenti).

1.5.3.5 Benefits

Forms of insurance cover and welfare payments which generate a cost of € 70,087.00 for the Company have been provided for on behalf of the Chief Executive Officer.

1.5.4 Remuneration of General Managers and Key Management Personnel

From time to time, the Company identifies Key Management Personnel, based on the duties effectively carried out, in line with the definition referred to in Consob Regulation no. 17221/2010.
The current General Managers and Key Management Personnel are hereinafter shown, connected to their area (Corporate/Operations):

General Managers and Key Management Personnel	Area	
Group Finance & Corporate General Manager, Group CFO	Corporate	Massimo Ferrari
International Operations General Manager	Operations	Claudio Lautizi
Group Engineering, Development and Concessions Director	Corporate	Joseph Attias
Group Engineering, Development and Concessions Director	Corporate	Alessandro De Rosa
HR & Organization Director-QHSE	Corporate	Gian Luca Grondona

The total remuneration paid to each of the General Managers and Key Management Personnel consists of a fixed component and a variable component.

1.5.4.1 Fixed remuneration component

The fixed remuneration component for General Managers and Key Management Personnel is determined on the basis of the role and responsibilities assigned and may be periodically adjusted as part of the annual salary review process carried out for all managerial positions.

In line with the recommendations of the Corporate Governance Code, the fixed remuneration component is determined to an extent that sufficiently rewards the performance of the General Managers and of the Key Management Personnel, even when the variable component should not be awarded due to failure to meet its relevant target objectives.

The Board of Directors that met on August 5, 2013 and August 5, 2014, moreover, resolved on the payment of € 50,000.00 to the Group Finance & Corporate General Manager as the Manager Responsible for Corporate Financial Reporting, also adjudicating that the aforementioned compensation should be calculated to determine the STI.

Moreover, General Managers and Key Management Personnel are entitled to reimbursement of the expenses incurred as a result of their office.

1.5.4.2 Variable Remuneration Component

As far as the variable component is concerned, with reference to 2018, General Managers and Key Management Personnel are also eligible to receive a short-term variable compensation ("2018 STI KMP") when 100% of the targets are reached ("2018 KMP STI Target"), over and above their relevant fixed remuneration components.
The payment and the amount of the relevant 2018 KMP STI are subject to and determined based on the targets being met for the:

- Group (in terms of EBIT, Book to Bill and Reduction of the gross financial debt), with a weighting of 30% for the Director of the Operations Area and 40% for the General Managers of the Corporate area, on the overall amount of 2018 KMP STI;
- Of the specific unit one belongs to, defined consistently with the company's Business Plan (with a 40% impact with regard to Operations Area managers and 30% with regard to Corporate area managers, on the total amount of the STI KMP), relating to Budget overheads, Budget operations, including Lane, Management of the Bidding process, Process organization;
- Individual performance targets, with a weight equal to 30% of the overall amount of the STI KMP and mainly refer to manager conduct in terms of leadership and change management.

The right to receive the 2018 STI KMP accrues on the basis of the results achieved in the previous year and assessed according to a performance scale with the range varying from a minimum of 80% (minimum performance) to a maximum of 120% (maximum performance), with the corresponding payout of a variable remuneration from 50% to 140% respectively of GAS, calculated by linear interpolation at pre-set intervals. Should performance in terms of the relevant targets be below the 80%, no amount linked to that objective shall be paid.

The quantitative determination of Group 2018 STI KMP objectives is defined by the Board of Directors, after consultation with the Compensation and Nominating Committee.
With regard to the quality and quantity of Business unit and individual performance targets they are set and proposed by the Chief Executive Officer, with a prior preliminary investigation of the Compensation and Nomination Committee.
With respect to the long-term variable component, General Managers Massimo Ferrari and Claudio Lautizi and Key Management Personnel Alessandro De Rosa, Gian Luca Grondona and Joseph Attias were included in the 2018-2019 Performance Shares Plan, as described in paragraph 1.3.2.2.1.

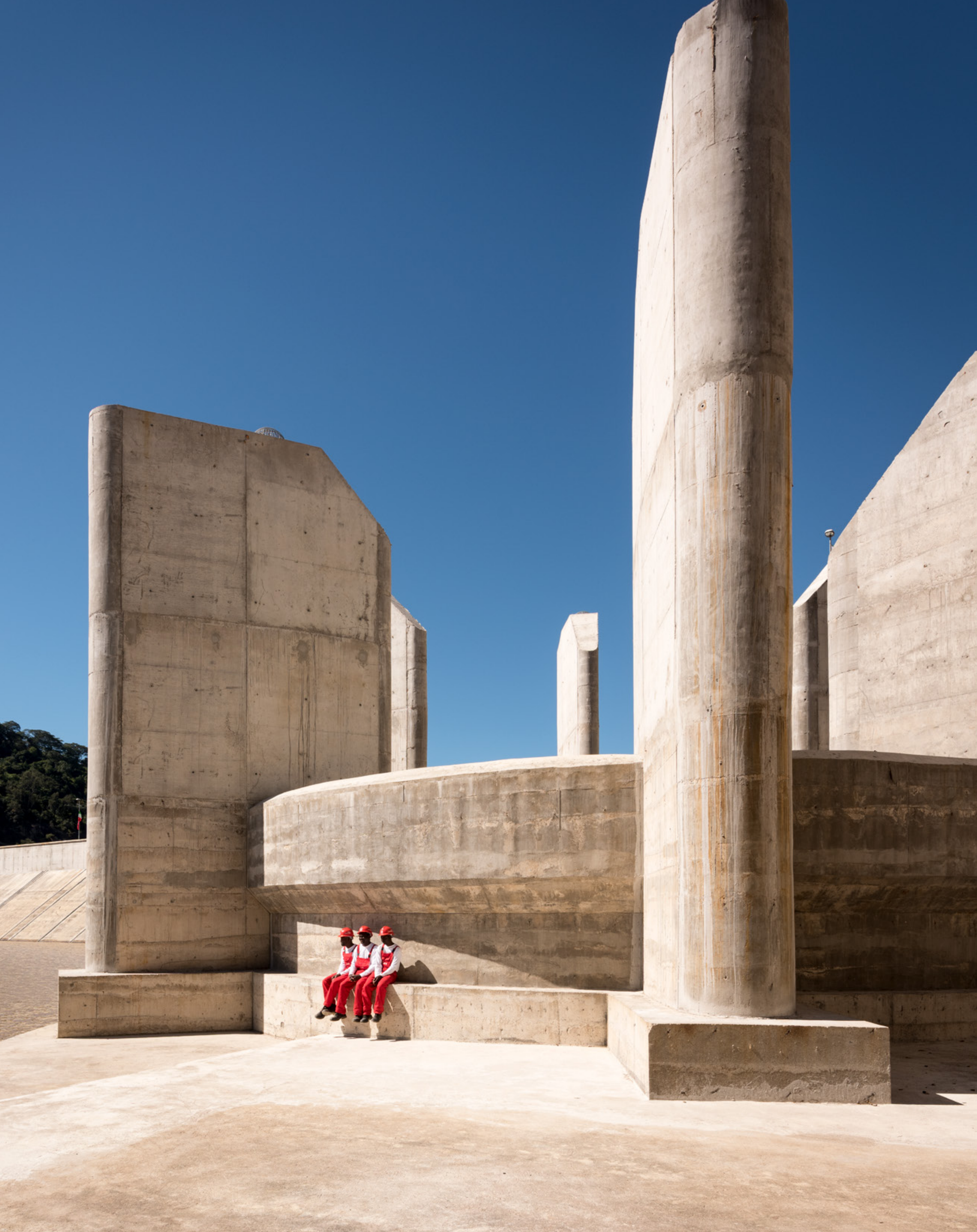
With regard to General Managers and to Key Management Personnel, discretional, occasional and standalone payments may be made, according to what is provided for in paragraph 1.4.

1.5.4.3 Payment in case of termination of employment

In the event of employment termination, General Managers and Key Management Personnel who are employees of the Company shall receive the payment respectively established by the law and/or the reference national collective agreement, if applicable, and, if it is advisable for the Company, supplemented by any individual agreements to be negotiated at the time of the termination (see Par. 2.1.3.3), and/or by any specific compensation for cases in which the need to sign non-competition agreements has been determined.
The provisions under paragraph 1.5.3.4. With respect to the effects of termination of the employment relationships on the 2018-2019 Performance Shares Plan remain applicable.

1.5.4.4 Benefits

Insurance cover or welfare payments are provided for Key Management Personnel with better conditions than those established in the national collective agreement, as well as the allocation of a company car for personal use and, possibly, housing.



2
SECTION II: DETAILS OF THE ITEMS THAT MAKE UP THE REMUNERATION AND THE COMPENSATION PAID IN 2017

2.1 DETAILS OF THE ITEMS THAT MAKE UP THE REMUNERATION (BY RETRIBUTION ITEM)

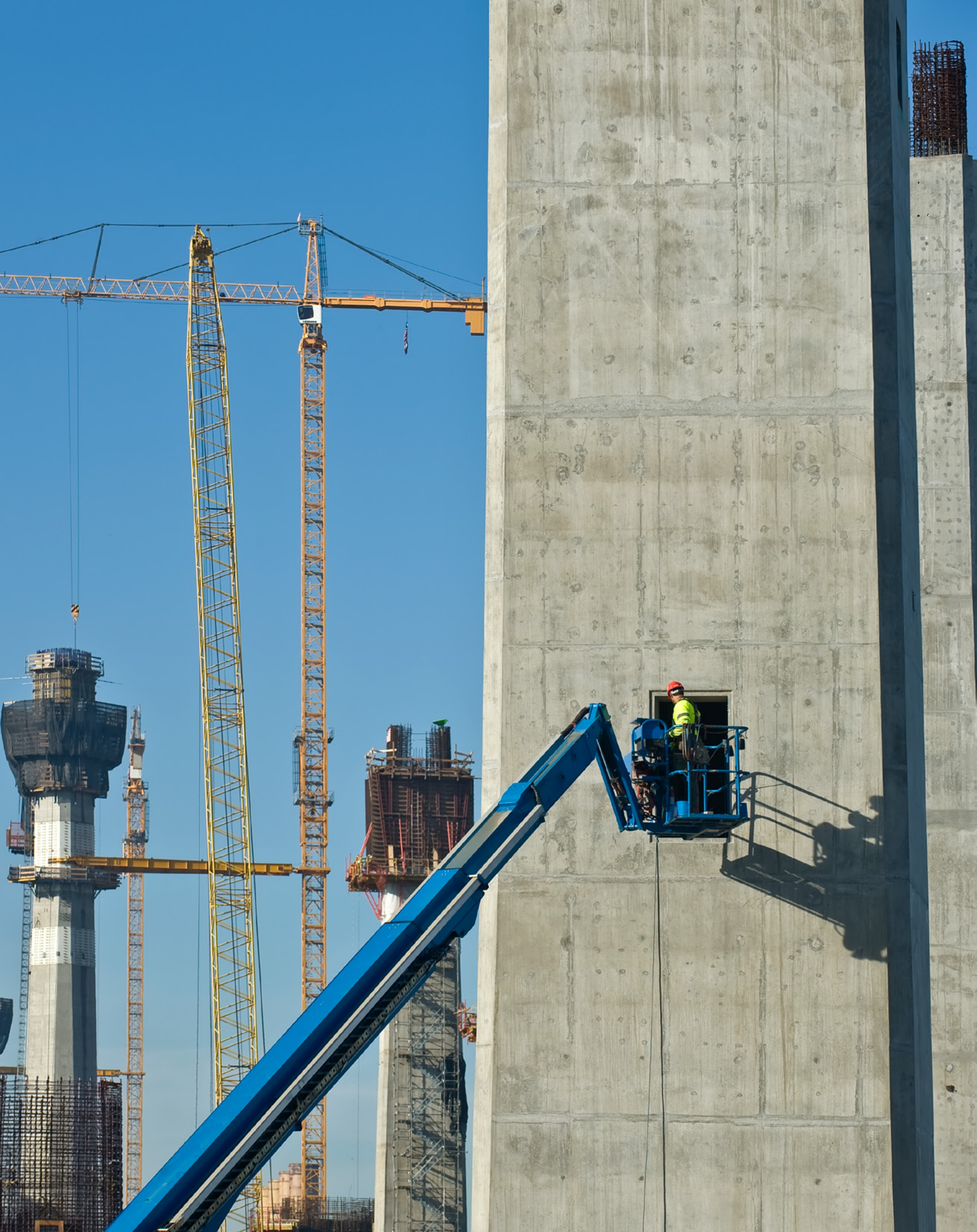
2.1.1 (Fixed And Variable) Remuneration Components for Members of the Board Of Directors in Office

With reference to 2017, the Board of Directors and the internal Committees consisted of the following Directors: Pietro Salini (as Chief Executive Officer), Marco Bolgiani, Marina Brogi, Giuseppina Capaldo, Mario Cattaneo, Roberto Cera, Alberto Giovannini, Nicola Greco, Pietro Guindani, Geert Linnebank, Giacomo Marazzi, Franco Passacantando, Laudomia Pucci, Alessandro Salini and Grazia Volo.

The compensation paid on a pro rata temporis basis to each of the directors during 2017 is as follows:

- **Director Pietro Salini**: € 60,000.00 as gross compensation for the office of Director.
- **Director Marco Bolgiani**: € 60,000.00 as gross compensation for the office of Director, € 45,000.00 as Member of the Control and Risks Committee, as well as € 15,000.00 as a Member, in his capacity as Chairman, of the Committee for Related-Party Transactions, **for a total of € 120,000.00;**
- **Director Marina Brogi**: € 60,000.00 as gross remuneration for the office of Director, € 35,000.00 as Member of the CNC, in her capacity as Chairman, € 10,000 as Member of the Committee for Relsted-Party Transactions, **for a total of € 105,000.00;**
- **Director Giuseppina Capaldo**: € 60,000.00 as gross compensation for the office of Director, € 45,000.00 as Member of the Control and Risks Committee, € 10,000.00 as Member of the Committee for Related-Party Transactions, f**or a total of € 115,000.00;**
- **Director Mario Giuseppe Cattaneo**: € 60,000.00 as gross compensation for the office of Director, € 60,000.00 as Member of the Control and Risks Committee, acting as Chairman, **for a total of € 120,000.00;**
- **Director Roberto Cera**: € 60,000.00 as gross compensation for the office of Director;

3 Chairman Alberto Giovannini does not receive any further remuneration for his office of director of the subsidiary Lane Industries Incorporated.



- **Director Laura Cioli**: € 9,016.00 as gross compensation for the office of Director, until her resignation date: February 24, 2016;
- **Director Alberto Giovannini**[3]: € 400,000.00 as gross compensation for the office of Chairman of the Board of Directors;
- **Director Nicola Greco**: € 60,000 as gross compensation for the office of Director, € 15,000.00 as Member of the CNC, € 15,000.00 for participation in meetings of the Compensation and Nominating Committee, **for a total of € 75,000.00;**
- **Director Pietro Guindani**: € 60,000.00 as gross compensation for the office of Director, € 45,000.00 as member of the Control and Risks Committee, **for a total of € 105,000.00;**
- **Director Geert Linnebank**: € 60,000 as gross compensation for the office of Director, € 15,000.00 as member of the CNC, € 10,000.00 as member of the Committee for Related-Party Transactions, **for a total of € 85,000.00;**
- **Director Giacomo Marazzi:** € 60,000.00 as gross compensation for the office of Director, € 30,000.00 as a member of the Integrity Board **for a total of € 90,000.00;**
- **Director Franco Passacantando**: € 60,000 as gross compensation for the office of Director, € 45,000.00 as Member of the Control and Risks Committee, **for a total of 105,000.00;**
- **Director Laudomia Pucci**: € 60,000.00 as gross compensation for the office of Director, € 15,000.00 as Member of the CNC, **for a total of €75,000.00;**
- **Director Alessandro Salini**: € 60,000.00 as gross compensation for the office of Director;
- **Director Grazia Volo**: € 60,000.00 as gross compensation for the office of Director.

For an **overall amount of € 1,635,000.00.**

2.1.1.1 Payment in case of termination of office

There are no specific termination benefits for non-executive directors or agreements which plan for a compensation if the term of office ends prematurely.

2.1.1.2 Benefits

No form of insurance cover and welfare payments has been made on behalf of Non-executive Directors in office or agreements.

2.1.2 (Fixed And Variable) components of the remuneration of the Chief Executive Officer

In 2017, in addition to the compensation paid in relation to the office of Board Director (described in Par. 2.1.1), Chief Executive Officer Pietro Salini received a fixed fee for the mandate, pursuant to article 2389, paragraph 3 of the Italian Civil Code, of € 1,350,000 (one million three hundred fifty thousand/00), in addition to € 650,000 (six hundred fifty thousand/00) as GAS.
No compensation has been given to Pietro Salini for his role as Chairman of the strategic subsidiary Lane Industries Inc.

2.1.2.1 The Chief Executive Officer 2017 STI variable component

The **variable component** of the Chief Executive Officer 2017 STI had been quantified - taking as a basis for calculation the fixed part of the Chief Executive Officer's remuneration, given by the sum of the GAS and the fixed fee for the mandate - as € 2,000,000.00 (two million/00) upon achieving 100% of the targets.
The 2017 STI Objectives, therefore, had been set in terms of:
- EBIT, with a 50% impact on determining the Target Bonus;
- Book-to-bill, with a 25% impact on determining the Target Bonus;
- Reduction of the gross financial debt, with a 25% impact on determining the Target Bonus,

quantified by the Board of Directors in a timely manner, based on budget data for the 2017 financial year.

The Board of Directors meeting of March 15, 2017, based on the results for the 2016 financial year, therefore ascertained the level of achievement of STI 2017 targets by the Chief Executive Officer as 94.6% and, upon proposal of the CNC and the positive opinion of the Board of Statutory Auditors, approved the payout to the aforementioned Chief Executive Officer of a € 1,711,572 (one million seven hundred eleven thousand five hundred seventy-two/00) bonus calculated by linear interpolation for pre-set intervals.

The aforementioned 2017 STI entailed the right to receive the relevant bonuses on the basis of the results achieved in the previous year and assessed according to a performance scale with the range varying from a minimum of 80% (**Minimum Performance**) to a maximum of 120% (**Maximum Performance**) with the corresponding payout of a variable remuneration from 50% to 140% respectively of GAS, calculated by linear interpolation for pre-set intervals.

The Chief Executive Officer did not participate in the discussion on the aforementioned items pertaining to his payout of the 2017 STI, held during the Board of Directors' Meeting of March 15, 2018.

2.1.2.2 The 2015-2017 LTI variable component

With regard to the long term variable component, the approval of the financial statements as at December 31, 2017, saw the expiration of **the Performance Share LTI 2015-2017 Plan**, approved on April 30, 2015 by the ordinary Shareholders' Meeting, destined to the salaried personnel, collaborators and managers holding a particular office of Salini Impregilo and its subsidiaries, in a mixed cash/ performance share form and a three-year duration starting on January 1st, 2015, and ending as at December 31, 2017.
The plan's subject was:
(i) allocation to the beneficiaries on a free basis,at the expiration of the vesting period and when reaching the Performance Shares Plan 2015-2017 Objectives[4], of shares already in circulation and in the Company's portfolio (or acquired at a later date), or, at the latter's choice, newly issued ones pursuant to art. 2349 of the Italian Civil Code;
(ii) it was decided that the payment's weight would be equal to 1/2, relevant for the purpose of determining the Accrued Bonus and the Accrued Shares according to the indications of the following table:

Achievement Level for each Objective	% Accrued Shares Versus Target Shares
Less than 80%	0%
Equal to 80%	25%
Equal to 100%	50%
Equal to or more than 120%	70%
Between 80% and 100%	Linear interpolation of extreme values between 25% and 50%
Between 80% and 100%	Linear interpolation of extreme values between 50% and 70%

4 The objectives in terms of Cumulative Revenues and Cumulative EBIT defined by the Board of Directors.

Achievement Level for each Objective	% Accrued Bonus Versus Target Bonus
Less than 80%	0%
Equal to 80%	25%
Equal to 100%	50%
Equal to or more than 120%	70%
Between 80% and 100%	Linear interpolation of extreme values between 25% and 50%
Between 80% and 100%	Linear interpolation of extreme values between 50% and 70%

Failure to achieve one of the Objectives by at least 80% would result in the loss of the right to the accrued bonus and to the accrued shares, to be determined based on the level of achievement of the other Objective (if it was at least equal to 80%) on the basis of the preceding table.

The LTI opportunity was to be, for the sole Chief Executive Officer, equal to 200% of the GAS, on a two-year basis, under the terms of the LTI 2013-2015 Plan for 2015. As to the other Beneficiaries of the Plan, the LTI opportunity was to be equal to 300% of the GAZ, on a three-year basis.

The Performance Shares 2015-2017 Plan's Objectives have be formulated in terms of Cumulative Revenues 2015-2017 and Cumulative EBIT 2015-2017[5].

Upon ascertaining that the objectives set for the 2015-2017 Performance Share Plan had been achieved, and taking in consideration the forecasts in Paragraphs 1.1.3 (The approval process for the remuneration policy) and 1.2.2 (Remuneration policy principles) of the Remuneration Policy in force, upon a proposal of the Compensation and Nominating Committee, the Board of Directors held on March 15, 2017, decided to approve, in favor of the Chief Executive Officer, the allocation of shares and the payment of a bonus as per the indications in the enclosed tables 3.A and 3.B.

2.1.2.3 Payment in case of office termination

Neither end-of-mandate specific payment for the Chief Executive Officer in office, nor agreements which provide for a compensation in case of an anticipated mandate termination have been agreed upon.

5 For all that is not reported in relation to the Performance Shares Plan 2015-2017, refer to (i) the Report of the Board of Directors drawn up pursuant to art. 114-bis of the TUF on the fourth point in agenda and (ii) to the Information Document drawn up pursuant to art. 84-bis of the Issuers' Rules, both available on the Company's internet site (http://www.salini-impregilo.con/it(governance/assemblea-azionisiti/assemblea-degli-azionisti), and (iii) at the market notification pursuant to art. 84-bis, comma 5, letter a) of the Issuers' Rules, published together with this Report on the Company's internet site (http://www.salini-impregilo.con/it(governance/assemblea-azionisiti/ assemblea-degli-azionisti).

2.1.2.4 Benefits

Forms of insurance cover and welfare payments and benefits have been paid to the Chief Executive Officer as per table 1.

2.1.3 (Fixed And Variable) Components of the Remuneration for General Managers and Key Management Personnel

Fixed components of the remuneration acknowledged, with regard to 2017, to the General Managers and to Key Management Personnel were the following:
- **Mr. Massimo Ferrari**: € 550,000.00 as gross annual fixed remuneration, € 50,000 as fixed compensation for the functions of Manager in Charge of Financial Reporting, for a total of € 600,000.00;
- **Mr. Claudio Lautizi**: € 601,807.00 as gross annual fixed remuneration;
- **Other Key Management Personnel**: € 1,184,615.00 in total, as gross annual fixed remuneration.

2.1.3.1 The Key Management Personnel 2017 STI variable component

With respect to the 2017 KMP STI variable component of remuneration, such component, equal to the sum of the relevant fixed components of remuneration, has been made proportionate to the achievement of the following targets, each with a different weighting based on the relevant department to which the employee is assigned:
- Group (in terms of EBITDA, Book-to-bill ratio and Net Financial Position);
- Of the specific business unit to which one belongs to and mainly focused on the ongoing integrating project;
- Individual performances, mainly focused on required managerial conduct to carry out the ongoing change management process.

The Board of Directors meeting held on March 15, 2018, upon considering the results for the 2017 financial year and upon proposal of the Chief Executive Officer - who gave his assessment about the performance of General Managers and other Key Management Personnel to the Compensation and Nominating Committee held on March 12, 2018 - as well as with positive opinion of the Compensation and Nominating Committee, ascertained the level of achievement of the 2017 KMP STI and resolved on the following:
- Group Finance & Corporate General Manager, Group CFO Massimo Ferrari: € 709,389;
- International Operations General Manager Claudio Lautizi: € 720,204;
- Other Key Management Personnel of the Company: € 1,293,902.

2.1.3.2 The 2015-2017 LTI variable component

General Managers Claudio Lautizi and Massimo Ferrari, and Alessandro Di Rosa and Gian Luca Grondona, parts of the Key Management Personnel, were identified by the Board of Directors as Beneficiaries of the 2015-2017 Performance Shares Plan, as described in the preceding Paragraph

2.1.2.2, with an opportunity equal to 300% of the GAS, on a three-year basis.
With regard to Joseph Attias, part of the Key Management Personnel, who was identified as such by the Board of Directors' meeting held in July 14, 2016, a 2016-2017 LTI system has been assigned to him, in line with the remuneration policy, as follows:
- **Indicators**: 2016-2017 Cumulative Revenues and 2016-2017 Cumulative EBIT;
- **Vesting period**: two years;
- **Opportunity**: 100% of GAS, on a two-year basis (pro rata to 2016);
- **Disbursement**: determined at the end of the third year of reference based on the results reached;
- **Clawback**: in the cases in which the relevant due amount has been determined based on data which manifestly resulted incorrect because of the violation made by the beneficiary, of company regulations, of contracts or of the law, or due to his/her seriously malicious conduct and misconduct aimed at altering the data used to measure if the targets have been reached.
- **Retention clause**: (i) restitution of 50% of the Net Bonus, in case of resignations notified before 12 months have passed since the expiration of the previous Vesting Period; (ii) restitution of 25% of the Net Bonus in case of resignations notified after 12 months have passed and before 24 months have passed since the expiration of the Vesting Period.

Upon ascertaining that the objectives set for the 2015-2017 Performance Share Plan have been achieved, and taking in consideration the forecasts in Paragraphs 1.1.3. (The approval process for the remuneration policy) and 1.2.2. (Remuneration policy principles) of the Remuneration Policy in force, upon a proposal of the Compensation and Nominating Committee, the Board of Directors held on March 15, 2017, decided to approve, in favor of the General Directors and of other Key Management Personnel, the allocation of shares and the payment of a bonus as per the indications in the enclosed tables 3.A and 3.B.

2.1.3.3 Payment in case of termination of office

During 2017, specific agreements have been defined with some Key Management Personnel other that the Chief Executive Officer to discipline ex ante the aspects linked to a possible anticipated termination of the working relationship.
The terms of said agreement, defined in line with the regulations in force and with the reference benchmarks, pursuant to the provisions of the remuneration policy in force, provide for the payment of a 36-month[6] all-inclusive (including the relevant indemnity in replacement of the previous notice period) compensation in case of (i) a change in the control of the Company and/or of the controlling company or (ii) the replacement of the Chief Executive Officer or (iii) a termination not due to a just cause.
No office or working relationship termination has occurred during the period which would have led to the allocation or to the acknowldgement of compensations and/or other benefits pursuant to Principle 6.P.6 of the Code.

6 Taking this reference parameter to be the global de-facto retribution, consisting of the sum of the gross annual remuneration, of the average value of the variable remuneration of the last three years and of the valorization of the possible fringe benefits.

2.1.3.4 Benefits

The forms of insurance cover and welfare payments and benefits reported in table 1 have been paid to General Managers and other key management personnel.

2.1.4 Components of the Remuneration of the Board of Statutory Auditors

The Salini Impregilo Shareholders' Meeting held on April 27, 2017 appointed the new Board of Statutory Auditors for the 2017-2019 period and approved a payment of € 60,000.00 (sixty thousand/00) gross for the Chairperson of the Board of Statutory Auditors (position currently held by Giacinto Gaetano Sarubbi) and € 40,000.00 (forty thousand/00) gross for standing auditors (currently Teresa Cristiana Naddeo and Alessandro Trotter), besides the payment of an attendance fee for participation in every meeting of the Board of Directors and the internal committees, for the Chairperson of the Board of Statutory Auditors as well as for each standing auditor, of € 1,000.00 (one thousand/00) in the case of personal participation and € 500.00 (five hundred/00) in the case of participation through audio or video conferencing.
2017-related compensation paid to each member of the Board of Statutory Auditors in 2015 is as follows:

- **Giacinto Gaetano Sarubbi**: € 40,767.00 as gross compensation for the office of Standing Auditor and of Chairperson of the same Board, € 8,000.00 for participation in the meetings of the Board of Directors, € 7,000.00 for participation in meetings of the Control and Risks Committee, € 4,500.00 for participation in the meetings of the RNC, € 1,000.00 for participation in the meetings of the Committee on Related-Party Transactions, **for a total of € 61,267.00;**
- **Teresa Cristiana Naddeo**: € 40,000 as gross compensation for the office of Standing Auditor, € 12,000.00 for participation in the meetings of the Board of Directors, € 3,000.00 for participation in meetings of the Compensation and Nominating Committee, € 12,000.00 for participation in the meetings of the Control and Risks Committee, **for a total of € 67,000.00;**
- **Alessandro Trotter**: for his capacity of Chairperson of the Board of Statutory Auditors until its renewal by the April 27, 2017, Shareholders' Meeting: € 19,223.00 as gross compensation for the office of Chairperson of the Board of Statutory Auditors, € 6,000.00 for participation in the meetings of the Board of Directors, € 5,500.00 for participation in the meetings of the Control and Risk Committee; for the office of Standing Auditor starting from the aforesaid April 27, 2017, Shareholders' Meeting, € 27,179.00 gross for the office of Standaing Auditor, € 7,000.00 for participation in the meetings of the Board of Directors, € 1,500.00 for participation in the meetings of the Compensation and Nominating Committee, € 6,000.00 for participation in the meetings of the Control and Risks Committee, **for a total of € 75,901.00**;

For an **overall total, for 2017, of € 204,168.00.**

2.2 FEES PAID IN 2017

2.2.1 Table 1: Fees Paid to Members of the Board Of Directors and the Board of Statutory Auditors, to General Managers and Other Key Management Personnel

Figures in €

Surname and Name	Office	Term in Office	Expiry	Fixed compensation		Compensation for participating in committees		Non-equity variable compensation: Bonuses and other incentives	Non-equity variable compensation: Profit share	Non-monetary benefits	Other compensation	Total	Equity compensation fair value	Termination of office and employment compensation
Giovannini Alberto	Chairman	1/1/2017 - 31/12/2017	(*)	Compensation received for the performance of specific offices	400,000					4,208		404,208		
Salini Pietro	Chief Executive Officer	1/1/2017 - 31/12/2017	(*)	Relevant compensation deliberated by the Shareholders' Meeting	60,000					35,688		5,333,518	927,713	
				Compensation received for the performance of specific offices	1,350,000			3,237,830						
				Fixed remuneration for employment	650,000									
Bolgiani Marco	Director	1/1/2017 - 31/12/2017	(*)	Relevant compensation deliberated by the Shareholders' Meeting	60,000	Related Parties Committee fee	15,000			4,208		124,208		
						Control Committee compensation	45,000							
Brogi Marina	Director	1/1/2017 - 31/12/2017	(*)	Relevant compensation deliberated by the Shareholders' Meeting	60,000	Remuneration Committee compensation	35,000			4,208		109,208		
						Related Parties Committee fee	10,000							
Capaldo Giuseppina	Director	1/1/2017 - 31/12/2017	(*)	Relevant compensation deliberated by the Shareholders' Meeting	60,000	Control Committee compensation	45,000			4,208		119,208		
						Related Parties Committee fee	10,000							
Cattaneo Mario Giuseppe	Director	1/1/2017 - 31/12/2017	(*)	Relevant compensation deliberated by the Shareholders' Meeting	60,000	Control Committee compensation	60,000			4,208		124,208		
Cera Roberto	Director	1/1/2017 - 31/12/2017	(*)	Relevant compensation deliberated by the Shareholders' Meeting	60,000					4,208		64,208		
Greco Nicola	Director	1/1/2017 - 31/12/2017	(*)	Relevant compensation deliberated by the Shareholders' Meeting	60,000	Control Committee compensation	15,000			4,208		79,208		
Guindani Pietro Angelo Maria Antonio	Director	1/1/2017 - 31/12/2017	(*)	Relevant compensation deliberated by the Shareholders' Meeting	60,000	Control Committee compensation	45,000			4,208		109,208		
Linnebank Gerardus Wilhelmus Joseph Maria	Director	1/1/2017 - 31/12/2017	(*)	Relevant compensation deliberated by the Shareholders' Meeting	60,000	Remuneration Committee compensation	15,000			4,208		89,208		
						Related Parties Committee fee	10,000							
Marazzi Giacomo	Director	1/1/2017 - 31/12/2017	(*)	Relevant compensation deliberated by the Shareholders' Meeting	60,000	Integrity Board Compensation	30,000			4,208		94,208		
Passacantando Franco	Director	1/1/2017 - 31/12/2017	(*)	Relevant compensation deliberated by the Shareholders' Meeting	60,000	Control Committee compensation	45,000			4,208		109,208		
Pucci di Barsento Laudomia	Director	1/1/2017 - 31/12/2017	(*)	Relevant compensation deliberated by the Shareholders' Meeting	60,000	Remuneration Committee attendance fees	15,000			4,208		79,208		
Salini Alessandro	Director	1/1/2017 - 31/12/2017	(*)	Relevant compensation deliberated by the Shareholders' Meeting	60,000					4,208		64,208		
Volo Grazia	Director	1/1/2017 - 31/12/2017	(*)	Relevant compensation deliberated by the Shareholders' Meeting	60,000					4,208		64,208		
Sarubbi Giacinto	Chairman Board of Statutory Auditors	27/04/2017 - 31/12/2017	(**)	Relevant compensation deliberated by the Shareholders' Meeting	40,767	Control Committee attendance fees	7,000					61,267		
				Attendance fees	8,000	Remuneration Committee attendance fees	4,500							
						Related Parties Committee fee	1,000							
Trotter Alessandro	Chairman Board of Statutory Auditors	1/1/2017 - 27/04/2017	(**)	Relevant compensation deliberated by the Shareholders' Meeting	19,233	Remuneration Committee attendance fees	3,500					34,233		
				Attendance fees	6,000	Control Committee attendance fees	5,500							
Trotter Alessandro	Standing Auditor	27/04/2017 - 31/12/2017	(**)	Relevant compensation deliberated by the Shareholders' Meeting	27,178	Remuneration Committee attendance fees	1,500					41,678		
				Attendance fees	7,000	Control Committee attendance fees	6,000							
Naddeo Teresa	Standing Auditor	1/1/2017 - 31/12/2017	(**)	Relevant compensation deliberated by the Shareholders' Meeting	40,000	Control Committee attendance fees	12,000					67,000		
				Attendance fees	12,000	Compensation Committtee attendance fees	3,000							
Villa Gabriele	Standing Auditor	1/1/2017 - 24/04/2017	(**)	Relevant compensation deliberated by the Shareholders' Meeting	12,822	Control Committee attendance fees	3,500					20,322		
				Attendance fees	4,000									
Lautizi Claudio	International Operations General Manager	1/1/2017 - 31/12/2017		Fixed remuneration for employment	601,807			1,409,089				2,010,896	422,036	
Ferrari Massimo (1)	General Manager Corporate & Finance Group CFO and Manager in Charge of Financial Reporting	1/1/2017 - 31/12/2017		Fixed remuneration for employment	550,000			1,396,205		25,513		2,021,718	420,768	
				Compensation paid as Manager 50,000 as well as Manager in Charge	50,000									
Key Management Personnel (2)	no. 3	1/1/2017 - 31/12/2017		Fixed remuneration for employment	1,184,615			2,696,152		52,158		3,983,266	771,409	
				Housing/petrol allowance	50,341									
Total					5,853,763		442,500	8,739,276	-0	172,271	-0	15,207,810	2,541,926	

(*) Shareholders' Meeting for the approval of the Financial Statements at December 31, 2017.

(**)

(1) The amount of 550 thousand euros for gross annual Remuneration shall be supplemented by national and international travel allowances, in line with the provisions of the relevant National Collective Labor, for a total amount of 7 thousand Euro Agreement (CCNL Dirigenti) and company procedures, for a total amount of 7 thousand euros.

(2) The amount of 1,184,616 thousand euros for gross annual Remuneration shall be supplemented by national and international travel allowances, in line with the provisions of the relevant National Collective Labor Managers Agreement (CCNL Dirigenti) and company procedures, for a total amount of 13 thousand euros.

2.2.2 Table 3.A Incentive Plans Based on Financial Instruments other than Stock Options in Favor of Members of the Board Of Directors, General Managers and Other Key Management Personnel

			Financial instruments assigned during the previous years and not vested during the financial year		Financial instruments assigned during the financial year		Financial instruments assigned during the financial year			Financial instruments vested during the financial year and not allocated	Financial instruments vested during the financial year and allocatable		Financial instruments for the financial year
Surname and Name	Office	Plan	No. and type of financial instruments (Performance Shares)	Vesting period	No. and type of financial instruments (Performance Shares)	Fair Value allat assignment date (Euro)	Vesting period	Assignment date	Market price at assignment date (Euro)	Number and type of financial instruments	Number and type of financial instruments	Value at accrual date (Euro) (2)	Fair Value (Euro) (3)
Salini Pietro	Chief Executive Officer	2015 Salini Impregilo Performance Shares Plan									434,658	1,017,969	927,713
Lautizi Claudio	International Operations General Manager	2015 Salini Impregilo Performance Shares Plan									196,185	459,465	422,036
Ferrari Massimo	General Manager Corporate & Finance Group CFO and Manager in Charge of Financial Reporting	2015 Salini Impregilo Performance Shares Plan									195,596	458,086	420,768
Other Key Management Personnel of the Company	no. 2	2015 Salini Impregilo Performance Shares Plan									228,195	534,433	771,409
Total											**1,054,634**	**2,469,953**	**2,541,926**

1 The maximum number of Shares that can be assigned is reported; the actual number of Shares shall be determined at the end of the Plan, based on actual results

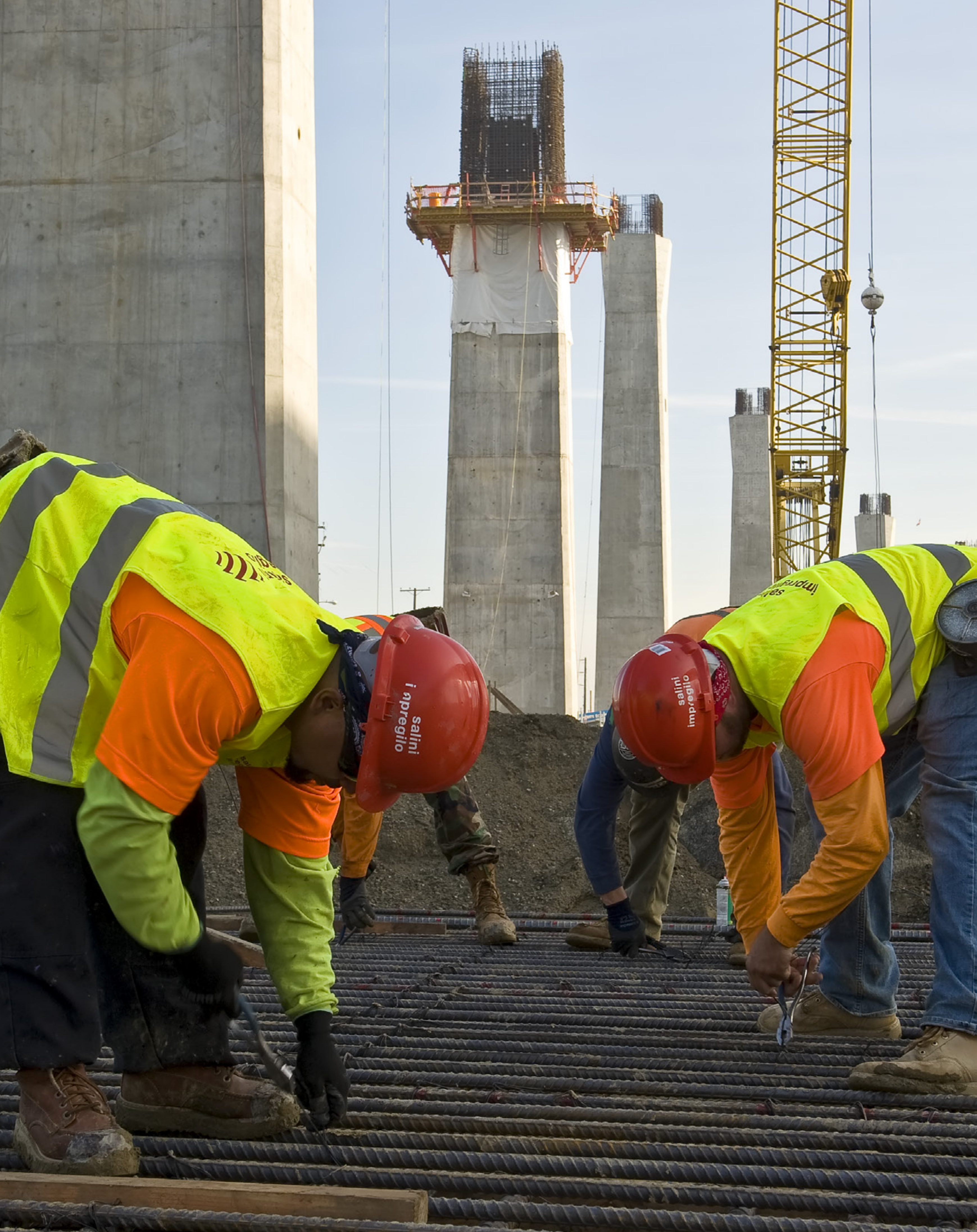
2 Indicative value calculated using the share price as at 15.3.2018, date of approval of the plan implementation methods by the Board of Directors.

3 The share of financial instruments-based compensation for the financial year is shown. It is calculated by sharing the (target) fair value of the aforementioned instruments at the assignment date, using actuarial methods, for the period.

2.2.3 Table 3.B: Monetary Incentive Plans for the Members of the Board Of Directors, General Managers and other Key Management Personnel Bonus for the Year Bonus for Previous Years

			Bonus for the Year			Bonus for Previous Years			Other Bonuses (Euro)
Surname and Name	Office	Plan	Paid/Payable (Euro)	Deferred (Euro) (1)	Deferment period	No longer payable	Paid/Can be paid	Deferred/ Deferrable	
Salini Pietro	Chief Executive Officer	2017 Short Term Incentive Plan	1,711,572						
		2015 Salini Impregilo Performance Shares Plan	1,526,258						
		2018 Long Term Incentive Plan		4,000,000 - 5,600,000	2 years				
Lautizi Claudio	International Operations General Manager	2017 Short Term Incentive Plan	720,204						
		2015 Salini Impregilo Performance Shares Plan	688,885						
		2018 Long Term Incentive Plan		1,203,615 - 1,685,061	2 years				
Ferrari Massimo	General Manager Corporate & Finance Group CFO and Manager in Charge of Financial Reporting	2017 Short Term Incentive Plan	709,389						
		2015 Salini Impregilo Performance Shares Plan	686,816						
		2018 Long Term Incentive Plan		1,200,000 - 1,680,000	2 years				
Other Key Management Personnel of the Company	no. 4	2017 Short Term Incentive Plan	1,293,902						
		2015 Salini Impregilo Performance Shares Plan	1,402,250						
		2018 Long Term Incentive Plan		2,400,000 - 3,360,000	2 years				
Total			**8,739,276**	**8,803,615 - 12,325,061**					

1 *Target values and maximum attributable values are reported; the actual value shall be determined at the end of the Plan, based on actual results.*


salini
impregilo

2.3 EQUITY INVESTMENTS OF MEMBERS OF THE BOARD OF DIRECTORS AND THE BOARD OF STATUTORY AUDITORS, GENERAL MANAGERS AND KEY MANAGEMENT PERSONNEL

2.3.1 Table 4: Equity Investments of Members of The Board Of Directors and The Board Of Statutory Auditors, General Managers and Other Key Management Personnel

Surname and name	Office	Subsidiary	No. of shares owned at the end of 2016	No. of shares purchased in 2017	No. of shares sold during 2017	No. of shares owned at the end of 2017
Alberto Giovannini	Chairman	Salini Impregilo S.p.A.	50,500	0	0	50,500
Pietro Salini	CEO	Salini Impregilo S.p.A.	1,450,000	0	0	1,450,000
Marco Bolgiani	Director	Salini Impregilo S.p.A.	0	0	0	0
Marina Brogi	Director	Salini Impregilo S.p.A.	0	0	0	0
Giuseppina Capaldo	Director	Salini Impregilo S.p.A.	0	0	0	0
Mario Cattaneo	Director	Salini Impregilo S.p.A.	0	0	0	0
Roberto Cera	Director	Salini Impregilo S.p.A.	25,000	0	0	25,000
Nicola Greco	Director	Salini Impregilo S.p.A.	0	0	0	0
Pietro Guindani	Director	Salini Impregilo S.p.A.	0	0	0	0
Geert Linnebank	Director	Salini Impregilo S.p.A.	0	0	0	0
Giacomo Marazzi	Director	Salini Impregilo S.p.A.	0	0	0	0
Franco Passacantando	Director	Salini Impregilo S.p.A.	0	0	0	0
Laudomia Pucci	Director	Salini Impregilo S.p.A.	0	0	0	0
Alessandro Salini	Director	Salini Impregilo S.p.A.	100,583	0	0	100,583
Grazia Volo	Director	Salini Impregilo S.p.A.	0	0	0	0
Giacinto Sarrubbi (from April 27, 2017)	Chairman Board of Statutory Auditors	Salini Impregilo S.p.A.	0	0	0	0
Alessandro Trotter	Standing Auditor	Salini Impregilo S.p.A.	0	0	0	0
Teresa Cristiana Naddeo	Standing Auditor	Salini Impregilo S.p.A.	0	0	0	0
Gabriele Villa (until April 27, 2017)	Standing Auditor	Salini Impregilo S.p.A.	0	0	0	0
Massimo Ferrari	GM Corporate & Finance, Group CFO	Salini Impregilo S.p.A.	357,980*	30,000	30,000	357,980*
Claudio Lautizi	GM International Operations	Salini Impregilo S.p.A.	506,971*	0	0	506,971*

No. of key management personnel	Subsidiary	No. of shares held at the end of 2016	No. of shares purchased in 2017	No. of shares sold during 2017	No. of shares held at the end of 2017
3	Salini Impregilo	228,788 *	0	0	228,788*

* *includes Salini Impregilo shares freely given by Salini Costruttori S.p.A., as specified in the press release of January 12, 2015.*

Salini Impregilo S.p.A.
www.salini-impregilo.com
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Project coordination
Salini Impregilo Corporate Identity and Communication

Graphic concept
Leftloft, Milan

Data Visualization
Viewtoo, Milan

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