

REMUNERATION REPORT 2019

Pursuant to article 123-ter of Legislative Decree 58/1998 (TUF)
Management and control model: traditional
Issuer: SALINI IMPREGILO S.p.A.
Website: www.salini-impregilo.com

Year to which the Report refers: 2018

Date of approval of the Report by the Board of Directors: March 27, 2019

INDEX

REMUNERATION REPORT 2019	1
SECTION I: REMUNERATION POLICY FOR THE FINANCIAL YEAR 2019	2
1. GOVERNANCE OF THE REMUNERATION PROCESS	3
THE BOARD OF DIRECTORS	3
THE REMUNERATION AND NOMINATING COMMITTEE	3
ACTIVITIES CARRIED OUT IN 2019 – THE APPROVAL PROCESS OF THE REMUNERATION POLICY.	5
2. GENERAL PURPOSES AND PRINCIPLES OF THE 2019 REMUNERATION POLICY	7
PURPOSES OF THE 2019 REMUNERATION POLICY	7
REMUNERATION POLICY PRINCIPLES	7
BALANCE BETWEEN THE FIXED COMPONENT AND THE VARIABLE COMPONENT OF REMUNERATION (I.E. PAY MIX), ALSO WITH REFERENCE TO SECTOR PRACTICE.	8
3. GUIDELINES OF THE 2019 REMUNERATION POLICY	9
3.1. FIXED REMUNERATION COMPONENTS	9
3.2. VARIABLE REMUNERATION COMPONENTS	9
3.3. OTHER TYPES OF DISCRETIONARY, OCCASIONAL AND NON-RECURRENT REMUNERATION.	11
3.4. THE POLICY OF NON-MONETARY BENEFITS AND INSURANCE COVER, OR SOCIAL SECURITY OR PENSIO PAYMENTS OTHER THAN STATUTORY ONES	11
3.5. THE POLICY RELATING TO PAYMENTS IN CASE OF TERMINATION OF OFFICE OR TERMINATION OF EMPLOYMENT	11
4. THE PRACTICAL APPLICATION OF REMUNERATION GUIDELINES	12
4.1. REMUNERATION OF THE CHAIRMAN OF THE BOARD OF DIRECTORS	12
4.2. REMUNERATION OF THE VICE PRESIDENT OF THE BOARD OF DIRECTORS	12
4.3. REMUNERATION OF NON-EXECUTIVE DIRECTORS	12
4.4. REMUNERATION OF THE CEO	13
4.5. REMUNERATION OF GENERAL MANAGERS AND KEY MANAGEMENT PERSONNEL	14
SECTION II: DETAILS OF ITEMS THAT MAKE UP THE REMUNERATION AND THE COMPENSATION PAID IN 2018	20
5. DETAILS OF THE ITEMS THAT MAKE UP THE REMUNERATION (BY REMUNERATION ITEM)	20
5.1. FIXED AND VARIABLE REMUNERATION COMPONENTS FOR MEMBERS OF THE BOARD OF DIRECTORS IN OFFICE	20
5.2. FIXED AND VARIABLE COMPONENTS OF THE REMUNERATION OF THE CHIEF EXECUTIVE OFFICER	21
5.3. (FIXED AND VARIABLE) COMPONENTS OF THE REMUNERATION FOR GENERAL MANAGERS AND KEY MANAGEMENT PERSONNEL.	21
5.4. COMPONENTS OF THE REMUNERATION OF THE BOARD OF STATUTORY AUDITORS	23
5.5. REMUNERATION PAID IN THE FINANCIAL YEAR 2018	23
TABLE 1: REMUNERATION PAID TO MEMBERS OF THE BOARD OF DIRECTORS AND THE BOARD OF STATUTORY AUDITORS, GENERAL MANAGERS AND OTHER KEY MANAGEMENT PERSONNEL.	23
TABLE 3.B: MONETARY INCENTIVE PLANS FOR THE MEMBERS OF THE BOARD OF DIRECTORS, GENERAL MANAGERS AND OTHER KEY MANAGEMENT PERSONNEL	23
5.6. EQUITY INVESTMENTS OF MEMBERS OF THE BOARD OF DIRECTORS AND THE BOARD OF STATUTORY AUDITORS, GENERAL MANAGERS AND KEY MANAGEMENT PERSONNEL (SEE TABLE 4)	23



salini
impregilo

1
80t

2
80t

Dear Shareholders,

on behalf of the Remuneration and Appointments Committee and the Board of Directors, I am pleased to present the annual Remuneration Report.

The Italian infrastructure sector has undergone a difficult 2018. Many of our competitors have shown more than one sign of difficulty and there is a growing consensus on the need to provide the Country with an 'Extraordinary Infrastructure Plan' (for which the Government has allocated several tens of billions in the coming years) that will contribute to strengthen an industry that is a key driver for growth and employment (more than 170,000 people employed, over 7,000 companies in Italy).



Despite the widespread difficulties of Italian contractors, the Management of Salini Impregilo has led the Group along its path of growth and derisking. The year ended with positive economic and financial results and, among the most significant events is the disposal of Lane's Plant & Pavings division, which made it possible to focus the investment made in the United States on the core segments of Salini Impregilo's business model and generate 555 million Euro cash.

A new three-year industrial plan will be presented in 2019 and will include development of Group activities via both organic growth and the integration with other entities in the infrastructure sector.

The 2019 Remuneration Policy contained in this report reflects the current plan and confirms the principles and rules set out in previous years to support the Company's Management in achieving increasingly challenging objectives, with remuneration levers that enhance focus of beneficiaries on the achievement of the Group's strategic goals.

The short-term incentive plan confirms the performance indicators: gross debt reduction, Book to Bill ratio and EBIT. These are consistent with the business plan and are considered fundamental by the market for sustainable value creation and a sound and prudent risk management.

The LTI Plan, which will end in 2019, in addition to confirming cumulative revenues and cumulative EBIT introduced last year 'health and safety' and 'risk containment' targets.

The campaign aimed at enhancing the Group's safety culture led to a considerable reduction in the frequency of injuries (- 60% in the last two years, of which - 40% in 2018) helping meet our 'health and safety' objective. The Group is committed to continuous improvement in this area.

The new 'Succession Plan' has identified key positions for the organisation and candidates for succession with the twofold aim of 'bridging' the generation gap and supporting the sustainability of results.

As soon as the new three-year business plan is approved, a long-term incentive plan for 2019-2021 consistent with the Group's international and aggregative ambitions will be presented to the shareholders' meeting. It will be aligned to international practices and confirm the strong link between remuneration, risk and sustainability.

I hope that the choices made will meet with your agreement and approval. I thank you in advance, on behalf of the Committee and the Board of Directors, for the support you will give the 2019 Remuneration Policy.

Marina Brogi

Chairperson of the Remuneration and Appointments Committee

OVERVIEW: REMUNERATION POLICY 2019

	Chief Executive Officer (CEO)	General Manager /Key Management Personnel																						
Theoretical pay-mix	<ul style="list-style-type: none"> • 1/3 as fixed component; • 1/3 as short-term variable component (<i>Short term incentive, "STI"</i>); • 1/3 as long-term variable component (<i>Long term incentive, "LTI"</i>). 	<ul style="list-style-type: none"> • 1/3 as fixed component; • 1/3 as short-term variable component (<i>Short term incentive, "STI"</i>); • 1/3 as long-term variable component (<i>Long term incentive, "LTI"</i>). 																						
Fixed Component Please see paragraph 3.1.	Determined on the basis of international benchmarks, taking into account (i) professional skill set, (ii) performances, (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 2019 Monetary Structure Please see paragraphs 4.4 and 4.5.	<table border="1"> <thead> <tr> <th>STI Parameters 2019</th> <th>Weight</th> </tr> </thead> <tbody> <tr> <td>Ebit</td> <td>50%</td> </tr> <tr> <td>Group Objective</td> <td>100%</td> </tr> <tr> <td>Book to bill</td> <td>25%</td> </tr> <tr> <td>Gross debt reduction</td> <td>25%</td> </tr> </tbody> </table>	STI Parameters 2019	Weight	Ebit	50%	Group Objective	100%	Book to bill	25%	Gross debt reduction	25%	<table border="1"> <thead> <tr> <th>STI Parameters 2019</th> <th>Corporate Area Weight</th> <th>Operations Area Weight</th> </tr> </thead> <tbody> <tr> <td>Group Objectives</td> <td>50%</td> <td>30%</td> </tr> <tr> <td>BU Belonging Objectives (according to Role assumed)</td> <td>30%</td> <td>40%</td> </tr> <tr> <td>Individual Performance Objectives</td> <td>30%</td> <td>30%</td> </tr> </tbody> </table>	STI Parameters 2019	Corporate Area Weight	Operations Area Weight	Group Objectives	50%	30%	BU Belonging Objectives (according to Role assumed)	30%	40%	Individual Performance Objectives	30%	30%
STI Parameters 2019	Weight																							
Ebit	50%																							
Group Objective	100%																							
Book to bill	25%																							
Gross debt reduction	25%																							
STI Parameters 2019	Corporate Area Weight	Operations Area Weight																						
Group Objectives	50%	30%																						
BU Belonging Objectives (according to Role assumed)	30%	40%																						
Individual Performance Objectives	30%	30%																						
Variable LTI Component LTI Plan 2018-2019 Monetary/cash Structure Please see paragraph 4.4.	<ul style="list-style-type: none"> ✓ Indicators: EBIT aggregate; Cumulative incomes, Risk and Sustainability Objectives ✓ Start Date: January 1st, 2018; ✓ Vesting period: twice a year, in compliance with the Business Plan 2016-2019 after the expiry date of the Performance Share Plan 2015-17. ✓ Opportunity: 200% of the fix remuneration of the RAL and of the other DRS and, as regards the CEO, of the Fix CEO Component, twice a year in both cases. ✓ Disbursement: determined at the end of the second reference year, depending on the results achieved. ✓ Clawback and malus 																							
Benefit	<ul style="list-style-type: none"> • Supplementary pension, Supplementary health care, Company car for personal use, Insurance Cover, Housing, 																							

REMUNERATION REPORT 2019

This Remuneration Report was prepared in compliance with art. 123-ter of the TUF (Consolidated Finance Act), pursuant to (i) paragraph 4 of art. 84-quater and Annex 3, Scheme 7-ter, of the Issuers' Regulation, (ii) the recommendations under art. 6 of the Corporate Governance Code, as well as (iii) art. 11 of the Company's Related Party Transaction procedure adopted by the Company on November 30th, 2010 and subsequently amended, the most recently on June 6th, 2018, and available on the Company's website (www.salini-impregilo.com, "Governance/Procedure and Regulations" section) (the "**OPC Procedure**"). This Report also takes into account the 2018 Report (sixth report on the implementation of the Corporate Governance Code) by the Corporate Governance Committee and the letter of December 21st, 2018 addressed by the Chairman Patrizia Grieco to the Chairmen of the Boards of Directors and of Statutory Auditors of Italian listed companies as well as all the best practice found in drawing this remuneration report on a national and international level, so that the information contained in there are made the clearest and the most available as possible.

The Remuneration Report, approved by the Board of Directors on March 27th, 2019, upon proposal of the Compensation and Nominating Committee, consists of two Sections.

Section I details Salini Impregilo's remuneration policy for the 2019 financial year:

- a) For Board of Directors members, divided into the directors with specific duties (including executive directors) and non-executive directors of the Company.
- b) For General Managers;
- c) 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 2019 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 2018, 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;
- (ii) An **Overview** summarizing the Remuneration Policy 2019;
- (iii) A **Glossary** with the main definition included in the Report.

Pursuant to Consob Regulation on Related Party transactions – adopted with resolution no. 17221 of March 12th, 2010 – and the Procedure for Related Party Transactions implemented by the Company, 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/Remuneration and Governance/Shareholders Assembly sections, so that it can be examined in view of the Shareholders' Meeting called to approve the 2018 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.

With regard to the tasks and activities of the Remuneration and Nominations Committee concerning nominations, see chapters 7-8 of the Corporate Governance Report and Ownership Structure relative to the Financial year 2018, published on the Company's Website www.salini-impregilo.com in the Governance/Governance System section.

SECTION I: REMUNERATION POLICY FOR THE FINANCIAL YEAR 2019

The 2019 Remuneration Policy of Salini Impregilo, based on market practices and international benchmarks and in compliance with the fundamental principles of equity, transparency, meritocracy and sustainability, aims to:

- (i) Draw, motivate and keep within the Group key resources having the technical and professional skills required to efficiently pursue Salini Impregilo's *targets*, with regard not only to the current ones but also to the future size and complexity of a Company in great expansion and with ambitious objectives;
- (ii) Align management interests to that of the creation of value of shareholders and stakeholders.

This Policy represents a fundamental instrument to promote loyalty, strengthen and make more united a managing team deeply motivated in pursuing objectives and ready to accept new challenges and opportunities, in order to achieve a further improvement of the competition position of the Company.

In this regard, it is noted that, in a wider context of the relaunching project of the infrastructures area in Italy and of the relative investment opportunities, the Industrial Plan 2019-2021 is being prepared and will be presented in 2019. The new Industrial Plan will include the development of the activities that the Group is currently pursuing through its own organisation as well as the integrations – currently being planned – with other realities of the infrastructure area.

In the context of the above described strategies, the agreement for the buy-up of Cossi Costruzioni S.p.A. (by the company Condotte d'Acqua S.p.A.) was finalised in February 2019, and the offer for the buy-up of Astaldi S.p.A. was also formulated as described in the press release of February 14th, 2019, and in the Annual Financial Report.

The Remuneration Policy 2019 has been 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, pursuant to art. 123-ter paragraph 6 of the Consolidated Finance Act.

Compared to the previous Remuneration Policy 2018, the Policy 2019 does not present significant changes having been defined assuring consistency and continuity with the financial year 2018.

The following paragraphs show the process adopted by the Company to define and approve the Remuneration Policy 2019, bodies and subjects involved, as well as its goals and key principles.

1. GOVERNANCE OF THE REMUNERATION PROCESS

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 30th, 2018 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 31st, 2020, of the Board of Directors currently in office, composed as follows:

Alberto Giovannini	Chairman	Non-Independent	Non-Executive
Pietro Salini	Chief Executive Officer	Non-Independent	Executive
Giuseppina Capaldo	Director	Independent	Non-Executive
Mario Giuseppe Cattaneo	Director	Independent	Non-Executive
Roberto Cera	Director	Non-Independent	Non-Executive
Nicola Greco	Director	Independent	Non-Executive
Maria Raffaella Leone	Director	Independent	Non-Executive
Giacomo Marazzi	Director	Independent	Non-Executive
Ferdinando Parente	Director	Independent	Non-Executive
Laudomia Pucci	Director	Independent	Non-Executive
Alessandro Salini	Director	Non-Independent	Non-Executive
Grazia Volo	Director	Non-Independent	Non-Executive

The *curriculum vitae et studiorum* of each Director is available on the Company's website www.salini-impregilo.com.

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 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

The Remuneration and Nominating Committee

The Board of Directors, during the meeting of May 9th, 2018, after the renewal of the Board of Directors – by the Shareholders' Meeting of April 30th, 2018 – has appointed a Remuneration and Nominating Committee and has appointed it with responsibilities in matter of remuneration and nominations.

Therefore, it has appointed, as members, all the Independent and Non-Executive Directors, in compliance with recommendations of the Corporate Governance Code, after the verification of the possession, by them, of suitable skills and experience with respect to financial matters and compensation policies.

The CNC is currently composed of the following Directors¹:

Marina Brogi	Chairmain	Independent	Non-Executive
Geert Linnebank	Member	Independent	Non-Executive
Laudomia Pucci	Member	Independent	Non-Executive

Functions

In line with the provisions of the Corporate Governance Code, the CNC carries out advisory and proposal-making activities. In particular, 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

¹ In financial year 2018, before the renewal of the Board by the General meeting of 30 April 2018, the Remuneration and Nominating Committee was composed of Marina Brogi (Chair), Nicola Greco, Geert Linnebank and Laudomia Pucci.

- Personnel for presentation to the Shareholders' Meeting called to approve the financial statements for the year, under the terms laid down by law (Principle 6.P.4. of the Corporate Governance Code);
- (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 (Principle 6.C.5. of the Corporate Governance Code);
 - (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 (Principle 6.C.5. of the Corporate Governance Code);
 - (iv) Monitors the application of the decisions taken by the actual Board verifying, in particular, the effective achievement of performance targets (Principle 6.C.5. of the Corporate Governance Code);
 - (v) Reports, to the first meeting possible of the Board of Directors – through the Chairman of the Committee – about the most relevant issues examined by the Committee during the meetings (Principle 4.C.1. of the Corporate Governance Code);

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 one component, in case the Committee is composed of three members) 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, in particular in case the Committee discuss matters on which the Board of Directors decide after having received the mandatory opinion of the Board of Statutory Auditors.

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.

Activities conducted in 2018.

The following table shows details about the meetings of the Committee during 2018 and the participation of its members:

11 meetings in the course of 2018 Average duration of meetings: 1 hour and 20 minutes	Participation		
	Marina Brogi	Chairman	100%
	Geert Linnebank	Member	100%
	Laudomia Pucci	Member	91%
	Nicola Greco	Member ²	100% ³

The following activities, strictly related to remuneration, have been carried out by the Compensation and Nominating Committee during 2018:

1 half-year period	aggregation or results of 2017 linked to short-term variable incentive schemes of the Chief Executive Officer, General Managers and Key Management Personnel;
	aggregation of results 2015-2017 linked to long-term variable incentive schemes of the Chief Executive Officer, General Managers and Key Management Personnel;
	definition of 2018 targets linked to variable incentive schemes of the Chief Executive Officer, General Managers and Key Management Personnel;
	definition of a long-term scheme 2018-2019 aimed to align to the terms of the Business Plan 2016-2019;

² Duty assumed until the renewal of the Board of Directors by the Shareholders' Meeting of April 30th, 2018.

³ Percentage computed on the number of meeting of the Compensation and Nominating Committee from Januar 1st, 2018 to April 30th, 2018.

2 half-year period	definition of Guidelines for the Remuneration Policy 2018, as well as the Remuneration Policy 2018 itself;
	drawing up of the Remuneration Report related to the financial year 2017 (Section I and II) to be submitted to the approval of the Board of Directors to be later submitted to the Annual Shareholders' Meeting;
	Preliminary investigation on remuneration pursuant to art. 2389, paragraph 3 of the Italian Civil Code, to be distributed to the members of the internal bodies Committee created by the Board of Directors in office after the appointment by the meeting of April 30 th , 2018;
	updating of the Committee regulation (after the renewal of the Committee itself for the three-year period 2018-2020)
	Analysis of the remuneration of the new Key Manager;
	comparative analysis of results of the meeting vote on Remuneration Policy of the year 2018 and voting policy analysis of the main proxy advisor and investor institutions;
	preliminary investigation on extraordinary, occasional and non-recurrent premia, regarding operations of dismissing the Plants & Paving Division of Lane.

During 2018, the Remuneration and Nominating Committee has used the support of Ernst & young and Spencer Stuart consultant agencies (after the verification of the possession by them of independence criteria required by the Application Criterion 6.C.7 of the Corporate Governance Code), for the preliminary investigation on any possible distribution of extraordinary, occasional and non-recurrent premia linked to the successful dismissing of assets related to Lane Plants & Paving segment (as provided by Press Releases of August 7th and 20th, 2018 as well as by the Information Document published by the Company on December 27th, 2018).

Activities conducted in 2019.

The following table shows details about the meetings of the Committee during 2019, up to the date of this Report, and the participation of its members:

4 meetings during 2019, up to the date of this Report Average duration of meetings: 2 hours			Participation
		Marina Brogi	Chairman
	Geert Linnebank	Director	100%
	Laudomia Pucci	Director	100%

The following activities, strictly related to remuneration, have been carried out by the Compensation and Nominating Committee during 2019:

preliminary investigation on extraordinary, occasional and non-recurrent premia, in favour of the Chief Executive Officer as compensation for the disposal of the assets relative to the Plants and Paving Division of Lane.
Preliminary investigation for a payment in favour of the Vice President, relative to the statutory operations performed.
aggregation or results of 2018 linked to short-term variable incentive schemes of the Chief Executive Officer, General Managers and Key Management Personnel;
definition of 2019 targets linked to short-term variable incentive schemes of the Chief Executive Officer, General Managers and Key Management Personnel;
definition of Guidelines for the Remuneration Policy 2019, as well as the Remuneration Policy 2019 itself;
drawing up of the Remuneration Report related to the financial year 2018 (Section I and II) to be submitted to the approval of the Board of Directors to be later submitted to the Annual Shareholders' Meeting;

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 2018 Report on Corporate Governance published on the website www.salini-impregilo.com.

Activities carried out in 2019 – The Approval Process of the Remuneration Policy.

The definition of the Remuneration Policy – as in the Section I of the Remuneration Report - is the result of a clear and transparent process, structured in compliance with 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.

As afore-mentioned, during 2019, the CNC met 4 times up to the date of the approval of this Remuneration Report. Specifically, the CNC defined the structure and contents of the 2019 Remuneration Policy, for the purpose of preparing this Remuneration Policy, in compliance with the latest recommendation of the Corporate Governance Code, in the meetings held on January 25th, 2019, on February 5th, 2019, on February 28th, 2019 and on March 26-27th, 2019.

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

- The resolution of the Shareholders' Meeting held on April 30th, 2018, concerning the remuneration of the Chairman of the Board of Directors and the Directors;
- The resolution of the Shareholders' Meeting held on June 6th, 2018, concerning the remuneration of the Directors vested with specific duties;
- the resolution of the Board of Directors held on July 25th, 2018, with the regard to the identification of another Key Management member;
- the resolution of the Board of Directors meeting of March 27th, 2019, which, based on figures for the Financial Statements at December 31st, 2018, ascertained and approved the level of achievement by the Chief Executive Officer and Key Management Personnel, of the 2018 STI targets;
- the guidelines of the proxy advisors and main investor institution;
- the approval by the Board of Directors held on December 19th, 2018, and March 27th, 2019 of some of the determinations on the matter of the acknowledgment of set of extraordinary, occasional and non-recurrent premia in favour of a General Manager and of the Chief Executive Officer as detailed in paragraph 4.5 and 5.2. to which reference is made;
- the approval by the Board of Directors held on March 27th, 2019, of an annual payment in favour of the Vice President for the statutory duties he carried out.

The above activities were carried out together with the further ones in relation to nominations (as described in the Report on the Corporate Governance and the 2018 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 2018 Report on the evolution of the Corporate Governance of the Listed Companies issued by the Corporate Governance Committee.

On March 26th and 27th, 2019, the CNC, with the input of the competent corporate departments and following the outcome of the meetings held, defined, to the extent within its purview, the Guidelines for, as well as the 2019 Remuneration Policy, for submission to the Board of Directors.

The 2019 Guidelines and Remuneration Policy, developed in consistency and continuity with the 2018 Guidelines and Remuneration Policy, were thus approved by the Board of Directors, upon proposal of the CNC, in the meeting held on March 27th, 2019, 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.

2. GENERAL PURPOSES AND PRINCIPLES OF THE 2019 REMUNERATION POLICY

Purposes of the 2019 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 2019 Remuneration Policy, in keeping with the remuneration plans approved in 2018 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 with in 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, incentive, 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, as well as 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 benchmark analysis of remuneration on the basis of a panel of companies qualifying as peers or comparables of the Company that is regularly updated.

It is imperative to stress how the 2019 Remuneration Policy detailed in this 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 2019 Remuneration Policy the amendments and integrations deemed necessary and opportune to adjust it to the changed situation. Any change which it might become necessary to make to the 2019 Remuneration Policy shall be promptly disclosed in the next Report on Remuneration.

Remuneration Policy Principles

The 2019 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 Chairperson, considering his/her role of coordinator 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 and on terms of peers or comparables;
- (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.

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

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 ("**Total Compensation**") 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").

3. GUIDELINES OF THE 2019 REMUNERATION POLICY

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, 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, and also having taken into account (i) the responsibilities of each collegial body, in compliance with the specific applicable rules on that matter; (ii) the required skills and/or professional qualifications owned by each member, also in compliance with professional requirements provided by the afore-mentioned applicable rules; (iii) to the envisageable duration and frequency of the Committees meetings, conceivable considering the duties they are appointed with, with different compensation for the Chairman and the members of each Committee, taking into consideration his/her role in coordinating 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.

3.2. Variable Remuneration Components

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

Short-period variable components of remuneration.

Short-term variable remuneration of the Chief Executive Officer ("2019 STI CEO") is directly linked to the achievement of annual Group objectives measured on a set of metrics focused on (i) the Group's financial and operating performance defined in compliance with the Company's Business Plan (Key Performance Indicators, hereinafter also "KPI").

With respect to General Managers and other Key Management Personnel, relevant short-term incentive plans (2019 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 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 2019 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 and informing the Board of Directors.

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 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 behavior to damage the company (malus clauses).

Mechanisms for deferring on more annual payments are not foreseen for the payment of the variable part of the remuneration.

The long-term variable components of remuneration.

The long-term variable component, which can be monetary or consist of Company financial instruments (e.g. shares, stock options, phantom shares, etc.), 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

The long-term variable component is 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 long-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 also 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 and Anticorruption Model), or contractual clauses or the Law or carried out wilful misconduct or seriously malicious behavior to damage the company (malus clauses)

3.3. 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 2019, 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 to 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, however no higher than 140% of the fixed component, on annual basis, of the General Directors and of the other KMP and, as regards the CEO, the CEO Fixed Component, also calculated on annual basis.

The above may be arranged in case of extraordinary results and/or individual performances – which are not included in the STI and LTI variable components, sufficiently significant to have a substantial impact on the value and on the activity volumes of the Company and/or on the relative profits and which may therefore justify an additional payment. In such case, appropriate disclosure relative to the amount, motivations and defining criterium of said eventual extraordinary premium shall be detailed in the first Remuneration Report following the payment.

3.4. The Policy of 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.

3.5. 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 favorable way for the Beneficiaries, the following scenarios are possible:

- (i) 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:
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.

4. THE PRACTICAL APPLICATION OF REMUNERATION GUIDELINES

4.1. Remuneration of the Chairman of the Board of Directors

Shareholders' Meeting remuneration for office

The Salini Impregilo S.p.A. Shareholders' Meeting held on April 30th, 2018, 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 31st, 2020, of € 400,000.00.

Payment in case of termination of office

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

Benefits

Insurance cover and welfare payments are provided for the Chairman at a gross annual cost of € 4,208 to the company.

4.2. Remuneration of the Vice President of the Board of Directors

The Board of Directors held on March 27th, 2019, deliberated the payment of a gross remuneration of Euro 100,000 to the Vice President for the statutory activities carried out by him⁴. Said amount is in addition to the fees received by the same as Board Director and as member of the Control and Risks Committee.

4.3. Remuneration of Non-Executive Directors

Shareholders' Meeting remuneration for office

The Salini Impregilo S.p.A. Shareholders' Meeting held on April 30th, 2018, 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 31st, 2020, of € 60,000.00.

Remuneration to participate in the Board Committees

The Board of Directors on June 6th, 2018, with regard to the responsibilities of the different collegial bodies, in compliance with the specific applicable rules and skills and/or professional qualifications required to each members, also in appliance of the professional requirements provided by the aforementioned applicable law and the envisageable duration and frequency of the Committees' meetings, conceivable considering their duties, upon proposal of the CNC and having heard the favourable opinion of the Board of Statutory Auditors, has decided to pay the following compensations to the appointed members of internal committees:

Committee	No. Members	Annual gross compensation		Annual gross total
		Chairman	Member	
Control and Risk	6	60,000.00	45,000.00	285,000.00
Compensation and Nominating	3	35,000.00	20,000.00	75,000.00
Related-Party Transactions	4	15,000.00	10,000.00	45,000.00

Payments in 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.

Benefit

Insurance cover and welfare payments are provided for non-executive Directors at a cost of € 4,208 each to the company.

⁴ In the same meeting, the Board of Administrator also confirmed the role of the Vice President as non-executive and independent director of the Company, also based on the deliberated remuneration.

4.4. Remuneration of the CEO

The Board of Directors' meeting on April 30th, 2018 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 the management 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. He is also a Manager of the Company, so that Pietro Salini is bound through a business collaboration agreement as Chief Executive Officer and through an employment agreement as Manager.

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 contract⁵, was determined as € 650,000.00.

The amount of fixed compensation due, pursuant to art. 2389, paragraph 3 of the Italian Civil Code, to the Chief Executive Officer for the performance of his delegated duties is equal to the annual gross amount of € 1,350,000.00.

In light of all the above, the fixed component of the remuneration of the Chief Executive Officer resulting from the sum of the GAS and payments pursuant to art. 2389, paragraph 3 of the Italian Civil Code for the Chief Executive Officer duties (jointly "**CEO Fixed Component**"), is equal to the annual gross amount of € 2,000,000.00.

In addition to that amount, it is to be computed the annual gross amount of € 60,000.00 decided by the Meeting of April 30th, 2018, with regard to his duty as Manager.

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 art. 2389 of the Italian Civil Code, in terms of STI and LTI payments

The 2019 STI of the Chief Executive Officer is paid out based on the achievement of Group and individual performance objectives.

The amount of the 2019 STI for the Chief Executive Officer was confirmed - taking as basis for the calculation the fixed part of his remuneration - as € 2,000,000.00 upon achieving 100% of the targets.

The payment and amount of the STI for 2019 are subject to and measured against reaching of the fixed targets as follows:

STI 2019 Standards for the Chief Executive Officer			Weight
Group objectives	Ebit	50%	100%
	Book to bill	25%	
	Gross financial debt reduction	25%	

The right to receive the 2019 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 2019 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 the following paragraph. to which it should be referred.

The Chief Executive Officer may also receive discretionary, occasional and non-recurrent compensation payments, as set out in Paragraph 3.3.

Remuneration to participate in Board Committees

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

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.

Moreover, provided that the Chief Executive Officer has a subordinate work contract with the Company, he also benefits, with regard to this, from the ordinary safeguarding regulations for Executives in case of dismissal set within the national collective bargaining agreements (*CCNL Dirigenti*).

Benefits

Non-monetary benefits are provided for in favour of the Chief Executive Officer at a cost of € 62,109.00 for the Company.

4.5. 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 following table shows the current General Managers and Key Management Personnel:

	AREA	
Corporate & Finance General Manager	Corporate	Massimo Ferrari
Global Operations General Manager	Operations	Claudio Lautizi
Group Engineering, Development and Concessions Manager	Corporate	Joseph Attias
Vice General Manager – Transformation Officer	Corporate	Alessandro De Rosa
Group HR, Organization and Systems Manager	Corporate	Gian Luca Grondona
Operations Executive Director Americas⁶ Vice General Manager	Corporate	Ignacio Botella

Fixed remuneration component

The fixed remuneration component for General Manager and Key Management Personnel is determined on the basis of the role and responsibilities appointed and it 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 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 5th, 2013 and August 5th, 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. This fixed payment is computed, together with the GAS, as part of the variable components.

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

Variable remuneration component

As far as the variable component is concerned, with reference to 2019, General Managers and Key Management Personnel are also eligible to receive a short-term variable compensation (“**2019 STI KMP**”) when 100% of the targets are reached (“**2019 KMP STI Target**”), over and above their relevant fixed remuneration components

The payment and the amount of the relevant 2019 KMP STI are subject to and determined based on the targets being met and related weights on the total amount of the respective STI:

⁶ Ignazio Botella has been appointed as Key Manager by the Board of Directors of July 25th, 2018. The related compensation is reported in an aggregated and *pro-rata* form, starting from the date of appointment, in the tables 1, 3B of the section 5.5.

	STI 2019 Standards for General Managers and KMP		Corporate Area Weight	Operations Area Weight
Group objectives	Ebit	50%		
	Book to bill	25%	40%	30%
	Gross debt reduction	25%		
Specific BU objectives (depending on the role)	Overheads Reduction Plan, Budget Operations (including Lane), Processes Organization, Management of the Offer Process		30%	40%
Individual performance objectives	Change Management, Leadership		30%	30%

The right to receive the 2019 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 2019 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 are set 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 and Ignacio Botella were included in the 2018-2019 LTI Plan, as described in the following paragraph to which it should be referred.

Also with regard to General Managers and to Key Management Personnel, discretionary, occasional and non-recurrent payments may be made, according to what is provided for paragraph 3.3.

With regard to the successful result of dismissing assets linked to the Lane Plants & Paving Division (as in the Information Document published on the Company's Website on December 27th, 2018), the Board of Directors of December 19th, 2018, upon proposal of the Chief Executive Officer, after a previous preliminary investigation and a favourable opinion by the Compensation and Nominating Committee and the Related-Parties Operations Committee, each one for its concerning matters, has decided to pay to the General Manager Massimo Ferrari, a set of extraordinary, occasional and non-recurrent premia structured in three "premiums", each one equal to the 140% of the GAS, to be paid up during 2018, 2019 and, should specific target been achieved, in 2020:

The Company may also require the restitution of 80% of the 2018 and 2019 Premium ("**Clawback Clause**"), for a maximum period of 3 years (until December 31st, 2021), in case of resignation of the beneficiary of this set of extraordinary premia, which are not related to specific circumstances, already identified in existent agreements, as in the paragraph 5.3.

The long-term variable components of remuneration: Long-Term Incentive Plan

On March 23rd, 2018, the Board of Directors defined, upon a proposal of the Compensation and Nominating Committee, 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 31st, 2019.

The CEO, the General Directors and the other KMP have been identified as Beneficiaries of the LTI Plan 2018-2019.

Consistently with the principles indicated at the preceding point, 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, having expired the 2015-2017 Long-Term Plan.

The purpose of 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 Objectives that have not been reached for at least 80% will not be taken into consideration for the calculation of the Accrued Bonus, which will be determined on the basis of the level of achievement of the other objectives that were reached for at least 80%, multiplied by the relative weight.

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 achievement of cumulative profits 2018-2019	% Accrued Bonus, with respect to the Bonus Target
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% and 30%
between 100% and 120%	Linear interpolation of extreme values between 30% and 42%

Level of achievement of cumulative EBIT 2018-2019	% Accrued Bonus, with respect to the Bonus Target
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% and 30%
between 100% and 120%	Linear interpolation of extreme values between 30% and 42%

“Change Management” Plan : replanning of the organisation processes and “Succession Planning”	% Accrued Bonus, with respect to the Bonus Target
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 Bonus, with respect to the Bonus Target
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 are exclusively of economic-financial nature as per the following scheme:

Level of achievement of cumulative profits 2018-2019	% Accrued Bonus, with respect to the Bonus Target
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%

Level of achievement of cumulative EBIT 2018-2019	% Accrued Bonus, with respect to the Bonus Target
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 42%

The Opportunity of the LTI Plan 2018-2019 is equal to 200% of the fixed remuneration of the General Directors and of the other KMP and, as regards the CEO, the Fixed CEO Component on a two-years base. The LTI 2018-2019 also foresees:

Objectives which have not been achieved at a level of at least 80% will not be taken into account in computing the Accrued Bonus. Which will be determined based on the level of achievement of the other objectives, provided that they have been achieved at least at a level of 80%, multiplied for their own weight.

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 Ethical Code, Organization Model pursuant to Lgs. D. 231/01 and Anti-Corruption Code), contracts or the law or due to his/her malicious or seriously conduct which brought prejudice to the Company.

The Board of Directors meeting of March 23rd, 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 objectives, and are defined as follows:

KPI's Categories	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 operating 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 total revenue 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 regards to the Chief Executive Officer, the objectives of the LTI 2018-2019 have been defined as follows:

KPI's Categories	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 operating 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 total revenue for 2018-2019 vs target	50%
			Total	100%

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.

Up to this date, the Company's Business Plan is being updated. After its definition and submission, the Company will provide for instrument for the long-term incentivization that will support the Beneficiaries in achieving the objectives of the afore-mentioned Business Plan. The Long-Term Incentive Plan will be submitted to the approval procedures in compliance with regulations on that matter.

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 negotiated and/or to be negotiated at the time of the termination and/or by any specific compensation for cases in which the need to sign non-competition agreements has been determined.

There are currently some specific agreements to previously determine aspects related to any possible anticipated termination of employment, between the Company and some Key Managers different from the Chief Executive Officer.

Terms of these agreements, determined in compliance with the applicable law and reference benchmarks – pursuant to what is provided by the law on matter of remuneration, provide the payment of an all-inclusive compensation (including the notice time remuneration) of 36 monthly pays⁷, in case of (i) change in the control of the Company and/or the Holding Company, or of (ii) replacement of the Chief Executive Officer or (iii) in case of dismissal without just cause.

The provisions under paragraph 3.5, with respect to the effects of termination of the employment relationships on the 2018-2019 Performance Shares Plan, remain applicable.

Benefit

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, for a total amount equal to € 64,819.00.

⁷ Taking the total remuneration given by the sum of the annual gross remuneration as reference parameter, of the average variable remuneration of the past three years, of the evaluation of the eventual fringe benefits.

SECTION II: DETAILS OF ITEMS THAT MAKE UP THE REMUNERATION AND THE COMPENSATION PAID IN 2018

5. DETAILS OF THE ITEMS THAT MAKE UP THE REMUNERATION (BY REMUNERATION ITEM)

5.1. Fixed and variable Remuneration Components for Members of the Board of Directors in Office

On April 30th, 2019, the Shareholders' Meeting has appointed the Board of Directors currently in office, for the three-year period 2018-2020, establishing the relating remuneration for the Chairman of the Board of Directors and for Directors, confirming the amount of the previous appointment, as follows:

	Gross Annual Salary
Chairman	400,000.,00
Directors	60,000.00

Following this appointment, on May 9th, 2018, the Board of Directors of the Company has created the internal Committee, establishing the relating remuneration as follows:

Committee	Gross Annual Salary	
	Chairman	Member
Risk Control	60,000.00	45,000.00
Compensation and Nominating	35,000.00	20,000.00
Related-Parties Operations	15,000.00	10,000.00

In light of all the above, during the financial year 2018, Directors have received (pro-quota and based on their term of office) fixed compensations decided by the Meeting of April 27th, 2015 (for the period 2015-2018) and confirmed, as concerns the amount, by the Meeting on 30th, April 2018 (for the period 2018-2020).

Moreover, they have received pro-quota additional compensation for their participation to conciliar committee, as decided (i) by the Board of Directors on May 14th, 2015⁸, for compensations of the period 2015-2018, and (ii) by the Board of Directors of June 6th, 2018, for compensation starting for the period 2018-2020.

The afore-mentioned compensation, with regard to each Director in office during the financial year 2018, are shown in details by the tables 1 and 3b attached to this Report, drawn in compliance with the Consob standard.

Payment in 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.

Benefits

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

⁸ Gross fees decided by the Board of Directors on May 4th, 2015, for the period 2015-2018: Control and Risks Committee: Chairman Euro 60,000.00, other components Euro 45,000.00; Remuneration and Nominating Committee: Chairman Euro 35,000.00, other components Euro 15,000.00; Operations and Related Parties Committee: Chairman Euro 15,000.00, other components Euro 10,000.00.

5.2. Fixed and variable components of the remuneration of the Chief Executive Officer

The fixed component of the Chief Executive Officer's remuneration

In 2018, in addition to the compensation of the annual gross amount of € 60,000.00 paid in relation to the office of Board Director, 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, in addition to € 650,000.00 as GAS for his management duties.

No compensation has been given to Pietro Salini for his role within the Lane Group.

The 2018 STI variable component of the Chief Executive Officer ("CEO 2018 STI")

The 2018 STI variable component of the Chief Executive Officer had been quantified - taking as a basis for calculation the fixed part of the CEO remuneration- as € 2,000,000.00 upon achieving 100% of the targets.

With regard to the budget date relating to the financial year 2018, the 2018 STI objectives had been set in terms of:

	STI 2018 Standards of the Chief Executive Officer		Weight On Target Bonus
Group objectives	Ebit	50%	100%
	Book to bill	25%	
	Gross financial debt reduction	25%	

The Board of Directors of March 27th, 2019, based on the results for the 2018 financial year, therefore ascertained the level of achievement of 2018 STI CEO targets by the Chief Executive Officer as 79,5%⁹ 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 € 685,527.00¹⁰ 2018 STI bonus calculated by linear interpolation for pre-set intervals¹¹.

The extraordinary, occasional and non-recurrent bonus in favour of the Chief Executive Officer.

With regard to the positive outcome of the disposal of the assets relative to the Plants & Paving Division of Lane (as per the information document published on the website of the Company on December 27th, 2018), realised in a market context that was definitively not positive and not foreseen in the Strategic Plan of the Company, The Board of Directors held on March 27th, 2019, on proposal of the Remuneration and appointment Committee and with the positive opinion of the Audit Board, has decided to pay to the Chief Executive Officer an occasional, extraordinary and non-recurrent bonus corresponding to 140% of the Fix CEO Component, for an amount of Euro 2,800,000.

The Chief Executive Officer did not participate in the discussion on the aforementioned items pertaining to the payment, in his favour, of the aforesaid components.

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.

Benefits

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

5.3. (Fixed and Variable) Components of the Remuneration for General Managers and Key Management Personnel.

During 2018, within the annual retribution review process for all directors, specific adjustment to the fixed components of the remuneration for General Managers and Key Management Personnel, with regard to the promotion to higher roles or for retention needs or as award for particularly significant performance. Fixed components of the remuneration acknowledged, with regard to 2018, to the General Managers and to Key Management Personnel were the following:

⁹ Percentage to be calculated according to each objective's weight, based on the performance achieved for each objective.

¹⁰ Percentage of payout of 34.3%, resulting from the pondering, of the payout results of each objective for the respective weight

¹¹The 2018 CEO STI envisaged the right to receive the relating premium based on results carried out during the previous year and computed according to variable performance scale from a minimum of 80% (Minimum Performance) to a maximum of 120% (Maximum Performance), with the related payment of a variable amount respectively from the 50% to the 140% of the GAS, computed by linear interpolations.

- **Massimo Ferrari**: € 657,692.00 as gross annual fixed remuneration, € 50,000.00 as fixed compensation for the functions of Manager in Charge of Financial Reporting, for a total of € 707,692.00;
- **Claudio Lautizi**: € 601,807.00 as gross annual fixed remuneration;
- **Other Key Management Personnel**: a total of € 1,403,174.00 as gross annual fixed remuneration.

2018 STI variable component.

With regard to the 2018 STI variable component of the remuneration, equal to the sum of the different fixed components of the retribution, is computed based on the achievement of the following results, each of them with a specific weight depending on its area:

	2018 STI Standards	Corporate Area Weight	Operations Area Weight
Group objectives	Ebit	40%	30%
	Book to Bill		
	Reduction of the gross financial debt (based on the verification at the end of the year)		
Specific BU objectives	determined in appliance with the Company's Business Plan, in relation to the Budget Overheads, Budget Operations including Lane, Management of the Offer Process, Processes Organization;	30%	40%
Individual Performance objectives	mainly focused on managerial conduct in terms of change management and leadership	30%	30%

The Board of Directors of March 27th, 2019, based on the results for the 2018 financial year, upon the proposal by the Chief Executive Officer – who has reported his own consideration about the General Managers and Key Management Personnel's performance during the Compensation and Nominating Committee of March 26th and 27th, 2019, and with the positive opinion of the Compensation and Nominating Committee, has ascertained the level of achievement of 2018 STI KMP targets and has decided to pay the following compensations:

- Corporate and Finance General Manager, Massimo Ferrari: € 781,684.00 gross;
- Global Operations General Manager, Claudio Lautizi: € 567,402.00 gross;
- Other Key Management Personnel: € 1,035,238.00 gross.

The Corporate & Finance General Director's discretionary variable component

As provided in the paragraph 4.5., Corporate & Finance General Director has been awarded with a set of extraordinary, occasional and non-recurrent premia. With regard to the financial year 2018, € 1,120,000.00 has already been paid up.

Payment in case of office termination

During 2017, specific agreements have been defined – and are still effective - with some Key Management Personnel other than 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-month¹² 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 acknowledgement of compensations and/or other benefits pursuant to Principle 6.P.5 of the Self-Regulation Code.

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.

¹² 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

5.4. Components of the Remuneration of the Board of Statutory Auditors

The Board of Statutory Auditors in office has been appointed for the three-year period 2017-2019 by the Shareholders' Meeting of April 27th, 2017.

The Meeting of the Shareholders of Salini Impregilo held on April 30th, 2018 decided to adjust the remuneration of the Audit Board appointed during the Meeting of April 27th, 2017, fixing the same, starting from the Financial Year of 2018, as follows, eliminating the presence tokens for the participation to the Board of Directors and to the Committees¹³:

Name	Role	Annual Gross Remuneration
Giacinto Gaetano Sarubbi	Chairman	120,000.00
Teresa Cristiana Naddeo	Auditor	80,000.00
Alessandro Trotter	Auditor	80,000.00

Competence compensations for the financial year 2018 for each one of the member of the Board of Statutory Board have been the above ones for an **overall gross total, for the financial year 2018, equal to € 280,000.00.**

5.5. Remuneration paid in the financial year 2018

Table 1: Remuneration paid to Members of the Board of Directors and the Board of Statutory Auditors, general managers and other Key Management Personnel.

Table 3.B: Monetary Incentive Plans for the Members of the Board of Directors, General Managers and other Key Management Personnel

5.6. Equity investments of members of the Board of Directors and the Board of Statutory Auditors, General Managers and Key Management Personnel (see Table 4)

Table 4: Remuneration paid to the members of the control and organisation bodies, to the general directors and to the other directors with key management responsibilities (in euro)

¹³ The remuneration system of the Board of Statutory Auditors, as decided by the Meeting of the Shareholders on April 27th, 2017, foresees the payment of a gross amount of Euro 60,000.00 (sixty thousand/00) for the Chairman of the Board of Statutory Auditors and of Euro 40,000.00 (forty thousand/00) for the affective members, in addition to the payment of one presence token for the participation to each meeting of the Board of Directors and constituted committees, for the Chairman of the Board of Statutory Auditors and for each Auditor in force, equal to Euro 1,000.00 (one thousand/00) in case of personal participation and of Euro 500.00 (five hundred/00) in case of participation through audio or video conference.

Surname and Name	Office	Period of Office	Office expiry	Fix Remuneration	Remuneration for participation to Committees		non equity Variable Payments		non monetary benefits	Other payments ⁽⁷⁾	Total	Fair value of Equity payments	Termination indemnity or termination of office	
							Bonus and other payments	Participation to profits						
Giovannini Alberto	Chairman	1/1/2018 - 31/12/2018	(*)	Fees for Special Office Performance	400,000				4,208		404,208			
Salini Pietro	Chief Executive Officer	1/1/2018 - 31/12/2018	(*)	Fees decided by the Shareholders Meeting Fees for Special Office Performance Fix Employment Salary	60,000 1,350,000 650,000			3,485,527	62,109		5,607,636			
Bolgiani Marco	Director	1/1/2018 - 30/04/2018		Fees decided by the Shareholders Meeting	19,726	Remuneration of Related Parties Committee Remuneration Control and Risks Committee	4,932 14,795		1,426		40,878			
Brogi Marina ⁽¹⁾	Director	1/1/2018 - 31/12/2018	(*)	Fees decided by the Shareholders Meeting	60,000	Rem. for remuneration and appointment committee Remuneration of Related Parties Committee Remuneration Control and Risks Committee	34,297 3,333 29,096		4,208		130,934			
Capaldo Giuseppina	Director	1/1/2018 - 31/12/2018	(*)	Fees decided by the Shareholders Meeting	60,000	Remuneration of Related Parties Committee Remuneration Control and Risks Committee	9,799 44,096		4,208		118,103			
Cattaneo Mario Giuseppe	Director	1/1/2018 - 31/12/2018	(*)	Fees decided by the Shareholders Meeting	60,000	Remuneration Control and Risks Committee	58,795		4,208		123,003			
Cera Roberto	Director	1/1/2018 - 31/12/2018	(*)	Fees decided by the Shareholders Meeting	60,000				4,208		64,208			
Greco Nicola ⁽²⁾	Director	1/1/2018 - 31/12/2018	(*)	Fees decided by the Shareholders Meeting	60,000	Rem. for remuneration and appointment committee Remuneration Control and Risks Committee	5,000 29,096		4,208		98,304			
Guindani Pietro Angelo Maria Antonio	Director	1/1/2018 - 30/04/2018	(*)	Fees decided by the Shareholders Meeting	19,726	Remuneration Control and Risks Committee	14,795		1,426		35,946			
Leone Raffaella	Director	30/04/2018 - 31/12/2018	(*)	Fees decided by the Shareholders Meeting	40,274				2,817		43,091			
Linnebank Gerardus Wilhelmus Joseph Maria	Director	1/1/2018 - 31/12/2018	(*)	Fees decided by the Shareholders Meeting	60,000	Rem. for remuneration and appointment committee Remuneration of Related Parties Committee	17,932 9,799		4,208		91,939			
Marazzi Giacomo ⁽³⁾	Director	1/1/2018 - 31/12/2018	(*)	Fees decided by the Shareholders Meeting	60,000	Supervision Body Remuneration of Related Parties Committee	30,000 6,466		4,208		100,674			
Parente Ferdinando ⁽⁴⁾	Director	30/04/2018-31/12/2018	(*)	Fees decided by the Shareholders Meeting	40,274	Remuneration of Related Parties Committee Remuneration Control and Risks Committee	9,699 11,836		2,817		64,625			
Passacantando Franco	Director	1/1/2018-31/12/2018	(*)	Fees decided by the Shareholders Meeting	60,000	Remuneration Control and Risks Committee	44,096		4,208		108,304			
Pucci di Barsento Laudomia	Director	1/1/2018 - 31/12/2018	(*)	Fees decided by the Shareholders Meeting	60,000	Rem. for remuneration and appointment committee	17,932		4,208		82,140			
Salini Alessandro	Director	1/1/2018-31/12/2018	(*)	Fees decided by the Shareholders Meeting	60,000				4,208		64,208			
Volo Grazia	Director	1/1/2018 - 31/12/2018	(*)	Fees decided by the Shareholders Meeting	60,000				4,208		64,208			
Sarubbi Giacinto	CS Chairman	1/1/2018 - 31/12/2018	(**)	Fees decided by the Shareholders Meeting	120,000						120,000			
Trotter Alessandro	Auditor in force	1/1/2018-31/12/2018	(**)	Fees decided by the Shareholders Meeting	80,000						80,000			
Naddeo Teresa	Auditor in force	1/1/2018-31/12/2018	(**)	Fees decided by the Shareholders Meeting	80,000						80,000			
Lautizi Claudio	DG Global Operat	1/1/2018-31/12/2018			601,807			567,402			1,169,209			
Ferrari Massimo ⁽⁵⁾	DG Corporate & Finance and Director	1/1/2018 - 31/12/2018		Fix Employment Salary dependente Fees for Director in charge	657,692 50,000			1,901,684	31,471		2,640,848			
other DRS ⁽⁶⁾	n.4	1/1/2018 - 31/12/2018		Fix Employment Salary Lodging contribution	1,403,174 51,935			1,035,238	64,819	83,832 ⁽⁷⁾	2,638,998			
Total					6,284,608		395,790	6,989,851	-	217,381	83,832	13,971,462		-

(*) Budget approval meeting of Dec. 31st, 2020

(**) Budget approval meeting of Dec. 31st, 2019

(1) Brogi Marina Control and Risks Committee from May 9th, 2018 till Dic. 31st, 2018; Related Parties Committee from Jan. 1st, 2018 till April 30th, /2018

(2) Greco Nicola Control and Risks Committee from May 9th, 2018 till Dic. 31st, 2018; Remuneration Committee from Jan. 1st, 2018 till April 30th, 2018

(3) Marazzi Giacomo Related Parties Committee from May 9th, 2018 till Dec. 31st, 2018

(4) Parente Ferdinando Control and Risks Committee from Sept. 26th, 2018 till Dec. 31st, 2018; Related Parties Committee from May 9th, 2018 till Dec. 31st, 2018

(5) To the amount of 657 thousand of euro for the annual gross remuneration, indemnities are added for transfers in-country or abroad, pursuant to the Management State Labour Agreement and by the Company's policies, for a total amount of 11 thousands of euro.

(6) To the amount 1.403 thousands of euro for the annual gross remuneration, indemnities are added for transfers in-country or abroad, pursuant to the Management State Labour Agreement and by the Company's policies, for a total amount of 22 thousands of euro; the fees relative to one of the Directors of the Key Management are included pro-rata, starting from the date of the appointment

(7) Value for financial year 2018 of a 5-year stability agreement entered with a Manager appointed with Strategic Functions

Table 3B: Monetary incentive plan in favour of the members of the Administration Body, of the General Directors and of the other Directors of Key Management Offices.

Surname and Name	Office	Plan	Year Bonus			Previous years bonus			Other Bonus (euro)
			Payable/ Paid/ (Euro)	Deferred (euro)		Deferment Period	No longer paid	Paid/ Payable	
Salini Pietro	Chief Executive Officer	Short Term Incentive Plan 2018	685,527	-	-	-	-	-	-
		Extraordinary Bonus Package	-	-	-	-	-	-	2,800,000
		Long Term Incentive Plan 2018	-	4,000,000	5,600,000	2 years	-	-	-
Lautizi Claudio	General Global Operations Director	Short Term Incentive Plan 2018	567,402	-	-	-	-	-	-
		Long Term Incentive Plan 2018	-	1,203,615	1,635,061	2 years	-	-	-
Ferrari Massimo	Corporate & Finance General Director and Director for the Corporate Accounting Documents	Short Term Incentive Plan 2018	781,684	-	-	-	-	-	-
		Extraordinary Bonus Package 2018-2020	-	1,120,000		2019	-	-	-
		Long Term Incentive Plan 2018	-	1,600,000	2,240,000	2 years	-	-	-
Other Directors with Key Management Offices	n. 4	Short Term Incentive Plan 2018	1,035,238	-	-	-	-	-	-
		Long Term Incentive Plan 2018	-	3,035,988	4,250,383	2 years	-	-	-
Total			3,069,851	10,959,603	14,895,444	-	-	-	3,920,000

Table 4.1: Participation of the members of the Administration and Control Bodies and of the General Directors

	Office	Participation Company	No. of shares owned on end of financial year 2017	No. of Shares purchased during financial year 2018	No. of Shares sold during Financial Year 2018	No. of Shares owned at end of financial year 2018
Alberto Giovannini	Chairman	Salini Impregilo	50,500	0	0	50,500
Pietro Salini	Chief Executive Officer	Salini Impregilo.	1,450,000	534,658 ¹	0	1,984,658
Marco Bolgiani (till 30.04.2018)	Director	Salini Impregilo	0	0	0	0
Marina Brogi	Director	Salini Impregilo	0	0	0	0
Giuseppina Capaldo	Director	Salini Impregilo	0	0	0	0
Mario Giuseppe Cattaneo	Director	Salini Impregilo	0	0	0	0
Roberto Cera	Director	Salini Impregilo	25,000	0	0	25,000
Nicola Greco	Director	Salini Impregilo	0	0	0	0
Pietro Guindani (sino al 30.4.2018)	Director	Salini Impregilo	0	0	0	0
Maria Raffaella Leone (dal 30.4.2018)	Director	Salini Impregilo	0	0	0	0
Geert Linnebank	Director	Salini Impregilo	0	0	0	0
Giacomo Marazzi	Director	Salini Impregilo	0	0	0	0
Ferdinando Parente (dal 30.4.2018)	Director	Salini Impregilo	0	0	0	0
Franco Passacantando	Director	Salini Impregilo	0	0	0	0
Laudomia Pucci	Director	Salini Impregilo	0	0	0	0
Alessandro Salini	Director	Salini Impregilo	100,583	79,600	0	180,183
Grazia Volo	Director	Salini Impregilo	0	0	0	0
Giacinto Sarubbi	Chairman Audit B.	Salini Impregilo	0	0	0	0
Alessandro Trotter	Auditor	Salini Impregilo	0	0	0	0
Teresa Naddeo	Auditor	Salini Impregilo	0	0	0	0
Massimo Ferrari	General Director	Salini Impregilo	357,980*	295,596 ²	0	653,576
Claudio Lautizi	General Director	Salini Impregilo	506,971*	296,185 ³	506,971	296,185

Table 4.2: Participation of the other Directors with Key Management Offices

No. of Directors	Company participated	No. Shares owned at end of financial year 2017	No. of shares purchased during financial year 2018	No. shares sold during the financial year 2018	No. Shares owned at end of financial year 2018
4	Salini Impregilo	228,788*	228,195 ⁴	346,613	110,370

¹Including 434,658 shares from the Shares Performance Plan LTI 2015-2017 (Remuneration Report 2018 – Table 3A – published on company's website in section "Governance – Remuneration").

²Including 196,185 shares from the Shares Performance Plan LTI 2015-2017 (Remuneration Report 2018 – Table 3A – published on company's website in section "Governance – Remuneration").

³Including 195,596 shares from the Shares Performance Plan LTI 2015-2017 (Remuneration Report 2018 – Table 3A – published on company's website in section "Governance – Remuneration").

⁴ Shares from the Shares Performance Plan LTI 2015-2017 (Remuneration Report 2018 – Table 3A – published on company's website in section "Governance – Remuneration").

*Including Salini Impregilo shares freely assigned by Salini Costruttori S.p.A., as per Press Release of January 12th, 2015.

GLOSSARY

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

"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
CEO Fixed Component	The total fixed remuneration of the Chief Executive Officer, resulting from the Gross Annual Salary (the "GAS") received for its duty as manager and payments due pursuant to art. 2389, paragraph 3 of the Italian Civil Code received for his duty as Chief Executive Officer.
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 the planning, management and control of 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 th , 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 st , 2018 - December 31 st , 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 restructuring, 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 and 'Succession Planning' processes, 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 200% cash of GAS on two-years basis, if 100% of the Objectives of the 2018-2019 LTI Plan are achieved.
Vesting Period	The period which starts on January 1 st , 2018, and ends at the date of approval of the consolidated financial statements as at December 31 st , 2019
Change Management Plan	redrawing of the organization processes and definition of a Succession Planning process for key/critical positions.
Long Term Monetary Incentive Plan	the incentive scheme for Beneficiaries
2019 Remuneration Policy	the Salini Impregilo Remuneration Policy for 2019 approved by the Board of Directors meeting of March 27 th , 2019

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, experiential 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 th , 1999, as subsequently amended
Cumulative Revenues	the Group's value of revenue at consolidated level for the period January 1 st , 2018-December 31 st , 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 restructuring, 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
2019 STI	the Short-Term Incentive for the 2019 financial year.
2019 CEO STI	the Short-Term Incentive for the 2019 financial year for the Chief Executive Officer
2019 KMP STI	the Short-Term Incentive for the 2019 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 st , 2019
Total Compensation	Its the total compensation of the Chief Executive Officer, General Managers and Key Management Personnel resulting from the sum of the theoretical pay mix components (STI and LTI fixed and variable).
TUF or Consolidated Finance Act	Italian Legislative Decree no. 58 of February 24 th , 1998, and subsequent amendments and additions

Salini Impregilo S.p.A.

www.salini-impregilo.com

www.webuildvalue.com

Project coordination

Salini Impregilo Corporate Identity and Communication

Credits

Copyright ©Salini Impregilo Image Library

www.salini-impregilo.com

Follow us:

