

Report on remuneration policy and compensation paid

2021



Report on remuneration policy and compensation paid

Approved by the Board of Directors on 25 March 2021

This document regarding the transparency of the remuneration of the Directors of listed companies is drafted according to art. 123-ter of the Consolidated Finance Act (TUF), in compliance with art. 84-quater of the Issuers' Regulation and the Code of Corporate Governance of Borsa Italiana S.p.A.

Issuer: **Webuild S.p.A.**
Website: www.webuildgroup.com



LETTER OF THE CHAIRPERSON OF THE COMPENSATION AND NOMINATING COMMITTEE



Dear Shareholders,

for several months now, the health emergency has led to profound changes to the way we approach our daily life. In this context, Webuild has worked to guarantee the continuity of a number of works and projects, ensuring not only the employment of thousands of people who work in increasingly more complex situations on a daily basis, but also supporting the growth in employment.

Despite the adverse context, 2020 was an extraordinary year for our Group, committed to completing the acquisition of Astaldi, with the support of CDP Equity, major national banks and institutional investors. Hence, an international *player* was established, with complex *integrated business* processes, aimed at constructing large infrastructural works that require highly specialised *know-how* as part of significant geographical and socio-cultural differentiation.

Our new Group can call on 70,000 direct and indirect employees, plus 60,000 small suppliers, with operations in over 50 countries and a backlog of more than € 40 billion.

Governance on remuneration and the new Board of Directors

Based on Webuild's governance model, the 2021 Remuneration Policy establishes the reference framework for implementing the remuneration procedures throughout the Group. The cornerstone principles of our Policy are Transparency, Sustainability, Meritocracy, Competitiveness, Proportionality and Fairness.

Within this reference, the guidelines have been defined for the remuneration systems which aim, essentially continuing with the approach adopted last year, to reinforce the sustainability of the results and confirm the solid and prudent management of risks which, for 2020, also saw the implementation of a methodology for "adjustment" - developed independently and impartially - of the effects of the spread of the pandemic (so-called '*COVID-19 Adjustment Methodology*'). Through this methodology, the Company isolated the external

effects that are out of the control of *Management* which impacted the results, developing and using them to correctly recognise, and therefore remunerate, the actual growth in the value of the business and the subsequent achievement of said results.

The 2021 Policy, defined in accordance with the corporate governance model adopted by the Company and the recommendations of the Code of Corporate Governance as well as the most recent regulatory developments, aims to attract, retain and motivate the *Management* that possesses the necessary qualities to achieve the objectives in the Business Plan.

Continuing with the approach adopted in 2020, the Policy is characterised by a structured Governance process that involves not only the Compensation and Nominating Committee, but all bodies responsible for supporting its contents, such as the Strategic Committee, the Control, Risks and Sustainability Committee, the Board of Statutory Auditors, the Board of Directors and said Shareholders' Meeting called, from this year, to express a binding vote on Section I of this Report.

Again in 2021, the outgoing Board of Directors defined a Guideline for Shareholders for the formation of the new Board that will guide the Group, with the objective of promoting Webuild's long-term success and bolstering the areas in which the Group could grow further, leveraging the strengths of our Group and on the already initiated process of aggregation in the infrastructure system, already launched in 2019 and concluded in 2020 with the completed acquisition of 66% of the share capital of Astaldi.

Regulatory developments

In December 2020, already with an impact on the 2021 Policies, CONSOB - in order to adjust the secondary regulations into line with the new European Directive on shareholders' rights - approved the regulatory amendments targeted at improving the 'disclosure' and procedural transparency with reference to the remuneration of the directors of listed companies.

Therefore, considering the recent regulatory developments regarding greater 'disclosure', the structure of this Report has been modified to gradually incorporate the changes, therefore

evolving to respond increasingly more quickly to the needs for transparency, usability and clarity, vis-à-vis all the stakeholders of our Company, on the communication of matters related to remuneration systems.

In particular, a section was introduced aimed at providing readers with information on the main elements and rationale of the Group Remuneration Policy, guaranteeing greater accessibility to relevant information through graphical simplifications and directly presenting key information, such as the correlation between *performance* indicators, company results and remuneration.

Variable remuneration systems

As in previous years, the framework of the short- and long-term variable remuneration systems, founding elements of the contractual structures of our *Management*, was confirmed, aimed at guaranteeing *performance* sustainability, considering both individual and Group trends.

In particular, - to contribute to the construction of the infrastructures for achieving the Sustainable Development Goals (SDGs) of the United Nations - the Group has defined a three-year 2021-2023 *ESG* Plan, based on specific objectives ('*Planet*' – climate transition – '*People*' - health, safety, skills, diversity and inclusion - and '*Progress*' – digitalisation, innovation and efficiency -) whose indicators are an integral part of variable remuneration systems, both short- and long-term.

The 2021 STI System includes not only economic-financial indicators, but further development of Progetto Italia as well as, as in the previous year, specific Department and Individual objectives, so as to focus the efforts of *Management* on achieving *targets* that, as a whole, represent the entire life cycle of the Group, cover the whole *business* and its daily activities, however, going beyond the responsibilities connected with the role, hence enhancing the *performance* of the individual in the interest of the Group.

The 2020-2022 LTI Plan *is* aimed at supporting the attainment of the challenging targets of the Business Plan and aligning *Management's* interests with those of Shareholders.

The Plan is in its second year, and aims to create long-term value by taking action, as we know, on tools connected with sustainability. In fact, a portion of the long-term incentive is tied to the achievement of an ESG objective for the entire Group *Management*. In that sense, the indicator is

measured by the reduction in CO₂ ratios as well as the average reduction in the accident frequency rate, a crucially important factor for the Group, which has always focussed significant and growing attention on the matter.

Dear Shareholders,

in the complex scenario in which we are operating, our Remuneration Policies continue to be a fundamental and essential part of the Group's strategy. The remuneration procedures, plans and programmes have essentially been confirmed for 2021 too in terms of their structure and approach, aimed at providing adequate incentives, in line with market practice, for achieving strategic and operating objectives, at the same time ensuring appropriate risk management and the generation of value for the Group.

Dear Shareholders,

while thanking you for the support you intend to give to the 2021 Remuneration Policy, I express my heartfelt thanks to my colleagues in the Committee for the work carried out and their continued willingness to engage in constructive and open dialogue, aimed at understanding and addressing the mutual needs in the exclusive interest of growing the value of the Company for the *Management* and the Shareholders.

Best regards,

Ferdinando Parente
Chairperson of the Compensation and Nominating
Committee

Contents

EXECUTIVE SUMMARY	1
SECTION I: REMUNERATION POLICY FOR THE FINANCIAL YEAR 2021	11
1. GOVERNANCE OF THE REMUNERATION PROCESS	12
2. GENERAL PURPOSES AND PRINCIPLES OF THE 2021 REMUNERATION POLICY	16
2.1 PURPOSES OF THE 2021 REMUNERATION POLICY	16
2.2. REMUNERATION POLICY PRINCIPLES	17
2.3. BALANCE BETWEEN THE FIXED COMPONENT AND THE VARIABLE COMPONENT OF REMUNERATION (I.E. PAY MIX), ALSO WITH REFERENCE TO SECTOR PRACTICES	18
3. THE COMPONENTS OF THE 2021 REMUNERATION POLICY	20
3.1. FIXED REMUNERATION COMPONENT	20
3.2. VARIABLE COMPONENTS OF REMUNERATION PAYMENTS	21
3.3. OTHER TYPES OF DISCRETIONARY, OCCASIONAL AND NON-RECURRING REMUNERATION	27
3.4. THE POLICY ON NON-MONETARY BENEFITS AND INSURANCE COVERAGE, OR SOCIAL SECURITY OR PENSION PAYMENTS OTHER THAN STATUTORY OBLIGATIONS	27
3.5. THE POLICY RELATING TO PAYMENTS IN CASE OF TERMINATION OF OFFICE OR TERMINATION OF EMPLOYMENT	27
4. STRUCTURING OF COMPONENTS OF REMUNERATION	29
4.1. REMUNERATION OF THE CHAIRMAN OF THE BOARD OF DIRECTORS	29
4.2. REMUNERATION OF THE DEPUTY VICE CHAIRMAN OF THE BOARD OF DIRECTORS	29
4.3. REMUNERATION OF NON-EXECUTIVE DIRECTORS	29
4.4. THE REMUNERATION OF THE CONTROL BODIES	30
4.5. REMUNERATION OF THE CEO	30
4.6. REMUNERATION OF GENERAL MANAGERS AND KMP	32
SECTION II: DETAILS OF ITEMS THAT MAKE UP THE REMUNERATION AND THE COMPENSATION PAID IN 2020	36
5. REMUNERATION OF ADMINISTRATION AND CONTROL BODIES AND OF OTHER KEY MANAGEMENT PERSONNEL	39
5.1 FIXED AND VARIABLE REMUNERATION COMPONENTS FOR MEMBERS OF THE BOARD OF DIRECTORS CURRENTLY IN OFFICE	39
5.2. COMPONENTS OF THE REMUNERATION OF THE BOARD OF STATUTORY AUDITORS	40
5.3. FIXED AND VARIABLE REMUNERATION COMPONENTS FOR THE CHIEF EXECUTIVE OFFICER	40
5.4. FIXED AND VARIABLE REMUNERATION COMPONENTS FOR GENERAL MANAGERS AND KMP.	42
5.5. REMUNERATION PAID IN 2020	45
5.6. EQUITY INVESTMENTS OF MEMBERS OF THE BOARD OF DIRECTORS AND THE BOARD OF STATUTORY AUDITORS, GENERAL MANAGERS AND KMP	45
TABLE 1: REMUNERATION PAID TO THE MEMBERS OF THE ADMINISTRATION AND CONTROL BODIES, GENERAL MANAGERS AND KMP	46
TABLE 3B: MONETARY INCENTIVE PLAN IN FAVOUR OF THE MEMBERS OF THE ADMINISTRATION BODY, OF THE GENERAL DIRECTORS AND OF THE OTHER KEY MANAGEMENT PERSONNEL.	48
TABLE 4.1: EQUITY INVESTMENTS OF MEMBERS OF THE ADMINISTRATION AND CONTROL BODIES AND OF GENERAL MANAGERS	49
TABLE 4.2: PARTICIPATION OF THE OTHER KEY MANAGEMENT PERSONNEL	50
GLOSSARY	51

EXECUTIVE SUMMARY

THE MAIN CHANGES IN THE 2021 REMUNERATION POLICY

Webuild's 2021 Remuneration Policy is an essential continuation of the 2020 one, confirming the basic architecture of the entire remuneration structure and the main characteristics of variable remuneration systems. The changes to the Report are essentially geared towards providing greater clarity and usability of information, also in accordance with the guidelines of the *Shareholder Rights Directive II*¹.

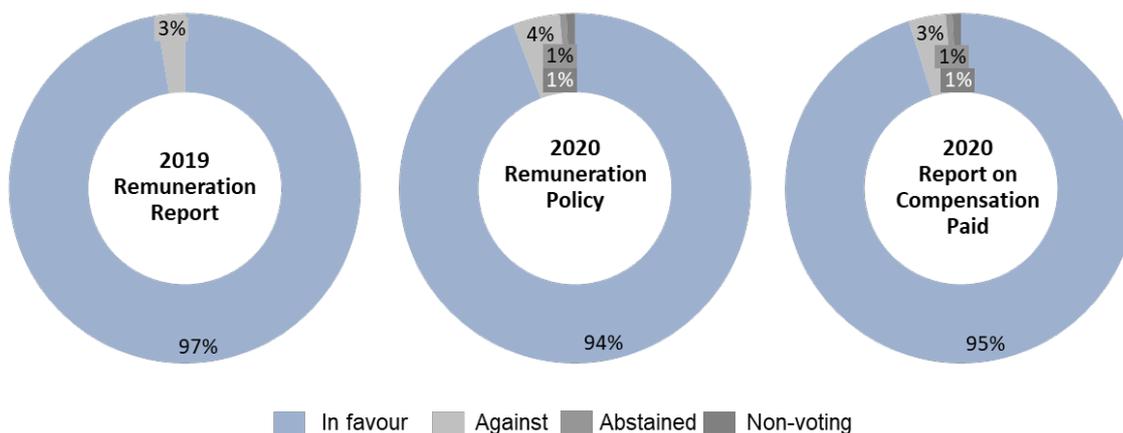
The greater transparency in the presentation of contents takes into consideration the results of the previous shareholders' meeting votes, the feedback already collected on the Remuneration Report, as well as the responses already provided to all the requests for clarification received from Shareholders.

To this end, an *Executive Summary* section was introduced, aimed at:

- **clearly and transparently** informing stakeholders of the main elements and rationale of the Group Remuneration Policy;
- guaranteeing greater **accessibility** to relevant information through graphical simplifications;
- **directly presenting** key information, including the correlation between *performance* indicators, company results and the remuneration operation mechanisms.

Figure 1 shows the outcome of the shareholders' meeting votes in the last two years:

Figure 1 - Outcomes of votes of Shareholders' Meeting²



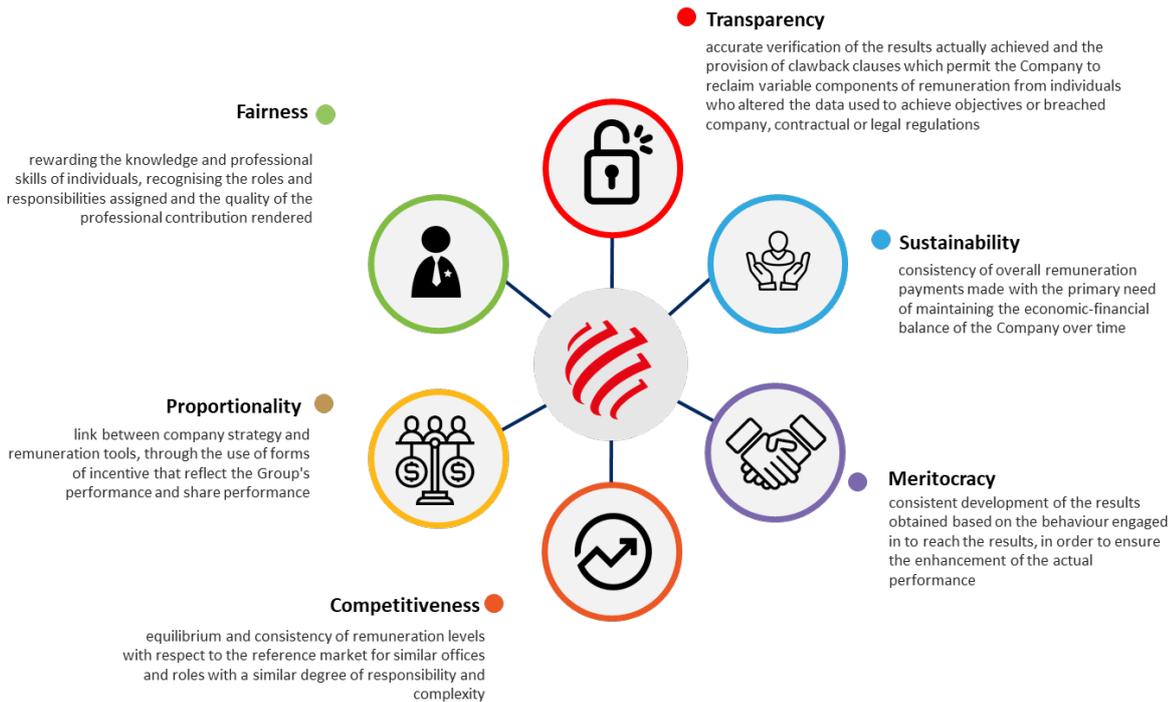
THE PRINCIPLES OF OUR POLICY

Webuild's Remuneration Policy, approved by the Board of Directors on the proposal of the Compensation and Nominating Committee and presented to the Shareholders' Meeting for approval, is defined in line with corporate governance model adopted by the Company and the recommendations of the Code of Corporate Governance as well as the most recent regulatory developments on the subject, based on the following principles (Figure 2):

¹ Directive (EU) 2017/828 - *Shareholder Rights Directive II* (SHRD II)

² No provision was made in 2019 for a separate vote on the two different Sections of the Report

Figure 2 - Webuild's Remuneration Policy Principles



NEW REGULATIONS AND REMUNERATION DISCLOSURE

Directive (EU) 2017/828 ("*Shareholder Rights Directive II*") on the encouragement of long-term shareholder engagement introduced, inter alia, rules aimed at improving '*disclosure*' and greater procedural transparency with reference to the remuneration of the directors of listed companies.

This Report applies the new disclosure formats in observance of the national regulation in acknowledgement of the *Shareholder Rights Directive II*, i.e. art.123-ter of Legislative Decree no. 58/1998 (TUF) as recently amended by Legislative Decree no. 49/2019 and Consob Resolution no. 21623 of 10 December 2020, which amended Consob's Issuers' Regulation.

In particular, in light of the above: (i) Section I of this Report includes information on the remuneration policy of control bodies as well as detailed information concerning the criteria used to measure the *performance* objectives and information regarding the indemnities for termination of employment or office; (ii) Section II indicates the *performance* objectives achieved in contrast to those assigned, any exceptions to the policy in the presence of exceptional circumstances, as well as the comparison between the annual change in the compensation of Directors, General Managers, Statutory Auditors, the Company's results and the remuneration of Employees.

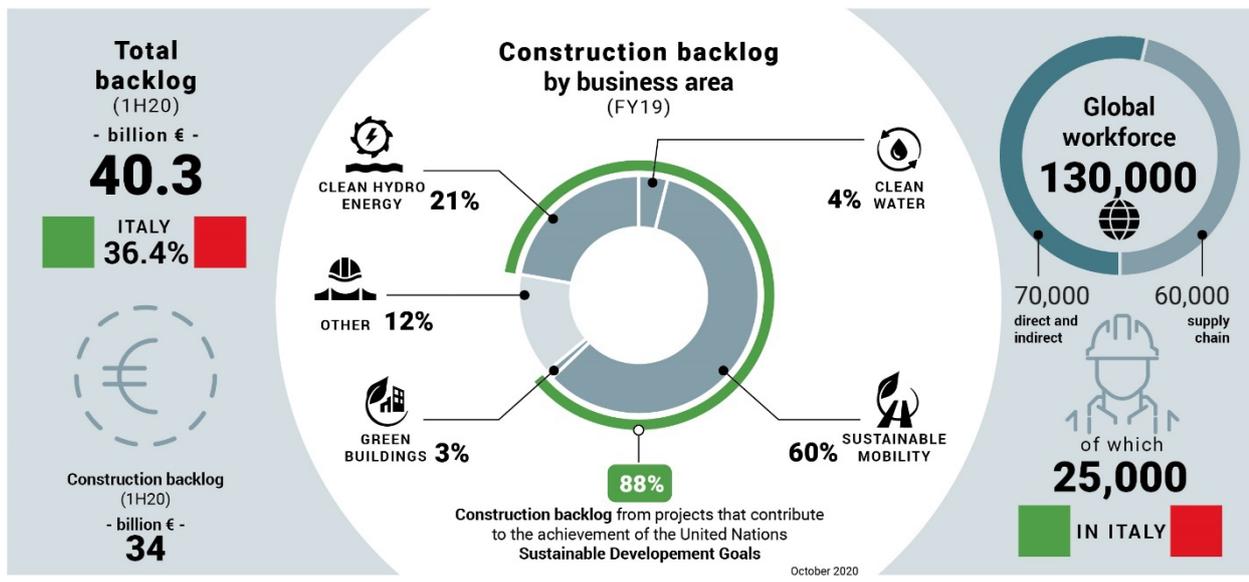
PROGETTO ITALIA

Webuild has been committed, since 2019, to implementing Progetto Italia, the operation to strengthen the construction sector in Italy whose objectives, inter alia, were as follows: (i) developing 'Italian *know-how*', (ii) contributing to the 'kick-starting' of the infrastructure market in Italy, (iii) bolstering international competitiveness and (iv) boosting opportunities for Italian SMEs in the chain (~ 5,000 companies for 5 projects in Italy - 98% Italian). In 2020, the completion of the acquisition of 66% of Astaldi marked the conclusion of the most significant operation set out in Progetto Italia.

Therefore, this acquisition spawned a Group with over 70,000 direct and indirect employees, plus 60,000 small suppliers, active in more than 50 countries and a backlog of more than € 40 billion.

The Project, which also has ample room within variable remuneration systems, was created, for matters within their respective competence, together with CDP Equity, Intesa Sanpaolo, UniCredit, Banco BPM and other institutional investors.

Figure 3 - The Group created with the implementation of Progetto Italia – October 2020



LINK BETWEEN PERFORMANCE AND SUSTAINABILITY

Variable remuneration, both short and long-term (STI and LTI), makes provision for a direct and verifiable link between the *performance targets* set, the results achieved and the remuneration paid and reflects the sustainable results and the creation of value for Shareholders in the medium/long-term. The variable components of remuneration make provision for predetermined, measurable *performance* objectives and tied to the Company's strategic objectives over the medium/long-term, calculated primarily through economic-financial indicators, but also through qualitative and non-financial parameters. The approach adopted, in line with the *best practices*, requires the incentive systems to be correlated with a broad concept of *performance*, consistent with the Group's strategy and key objectives.



Objective

Building a sustainable future also through remuneration systems

The Group makes a concrete contribution to sustainable development predominantly through the construction of infrastructures that help attain the *SDGs – Sustainable Development Goals* of the United Nations and the fight against *climate change*, providing its customers with innovative solutions for sustainable mobility, the production of renewable hydroelectric energy, water management and the construction of *green buildings*. Therefore, in order to achieve the sustainable development goals, the Group defined a three-year 2021-2023 *ESG (Environmental, Social and Corporate Governance) Plan*, based on the following objectives:

1. *Planet*, accelerating the climate transition by developing innovative solutions for improving environmental sustainability of Group projects and activities;
2. *People*, representing the reference *benchmark* of the sector in terms of health and safety, development of skills, diversity and inclusion;
3. *Progress*, contributing to development of the sector, leveraging innovation, digitalisation and efficiency.

Full integration of *ESG* indicators in *governance, reporting and engagement* systems of *stakeholders* reinforces the strategy guaranteeing constant monitoring.

Consistently, a portion of the long-term incentive is tied to the achievement of an ESG objective for the entire Group *Management*. The *ESG* objective is measured in relation to internal indicators of a reduction in the accident rate as well as reduction in greenhouse gases. The *performance* evaluation is carried out by the Compensation and Nominating Committee.

Lastly, starting from 2021, in order to further strengthen the link between *performance* and sustainability, a widespread *Performance Management* system was launched, through a first pilot phase and the involvement of a part of the company population; this system will make it possible, through a mechanism involving the *cascading* of the objectives assigned to the *Top Management*, to assign objectives to the Group's personnel, also by developing their *leadership* skills. In this way, the entities characterised by a constant *performance* over time who will join *Webuild's talent pool* will also be identified, by participating in specific professional and managerial growth courses, thus providing input to *succession planning*. The overall *performance* will, consequently, form the basis of the connection to the remuneration systems as a condition for access to fixed remuneration increases and as an evaluation factor for any attribution of variable remuneration instruments in favour of company non-managerial staff.

THE REMUNERATION POLICY IN SHORT

FIXED REMUNERATION COMPONENT

The fixed component of remuneration values the skills and experience and compensates *Management* consistent with the characteristics of the role and the related responsibilities. The Company monitors the fixed remuneration with respect to the external market to ensure an adequate level of competitiveness and hence guarantee the objectives of *attraction* and *retention* of *qualified and competent managers*. It is determined, consistently with the Code of Corporate Governance, to the extent to ensure that the levels of remuneration are also adequate in the case in which the variable component should not be paid.



Objective

Remunerate the role based on the responsibilities held, ensuring attraction and retention

Table1 - Fixed remuneration components of the Chief Executive Officer, General Managers and KMP

Figures in Euro	Fixed Component
CEO	2,000,000 ³
General Manager Corporate and Finance	800,000 ⁴
General Manager Global Operations	601,808
Key Management Personnel	Defined on the basis of the role

PAY FOR PERFORMANCE AND PAY MIX

The Group's incentive systems are based on direct correlation *between performances* and incentives: based on the level of attainment of the objectives, a *performance* curve is defined to which a *payout* curve corresponds, which makes provision, in any case, for a maximum limit (*cap*).



Objective

Connecting remuneration, performance and role

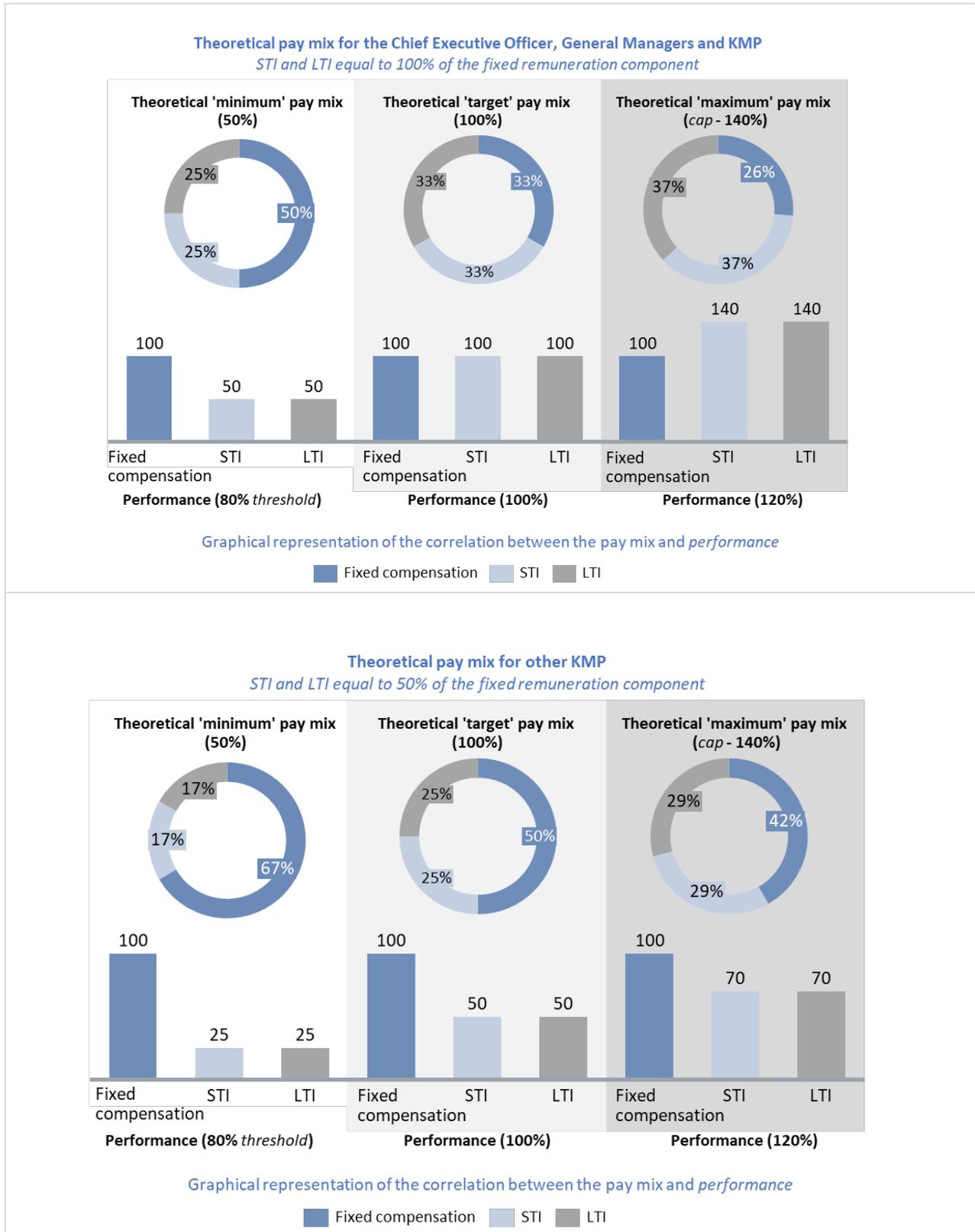
³ Of which Euro 650,000 as fixed remuneration based on the employment relationship and Euro 1,350,000 as fixed emolument pursuant to art. 2389, paragraph 2 of the Italian Civil Code for exercise of the power. These are augmented by a gross annual compensation of Euro 60,000 approved by the Shareholders' Meeting for the office of Board Director and Euro 25,000 for members of the Strategic Committee.

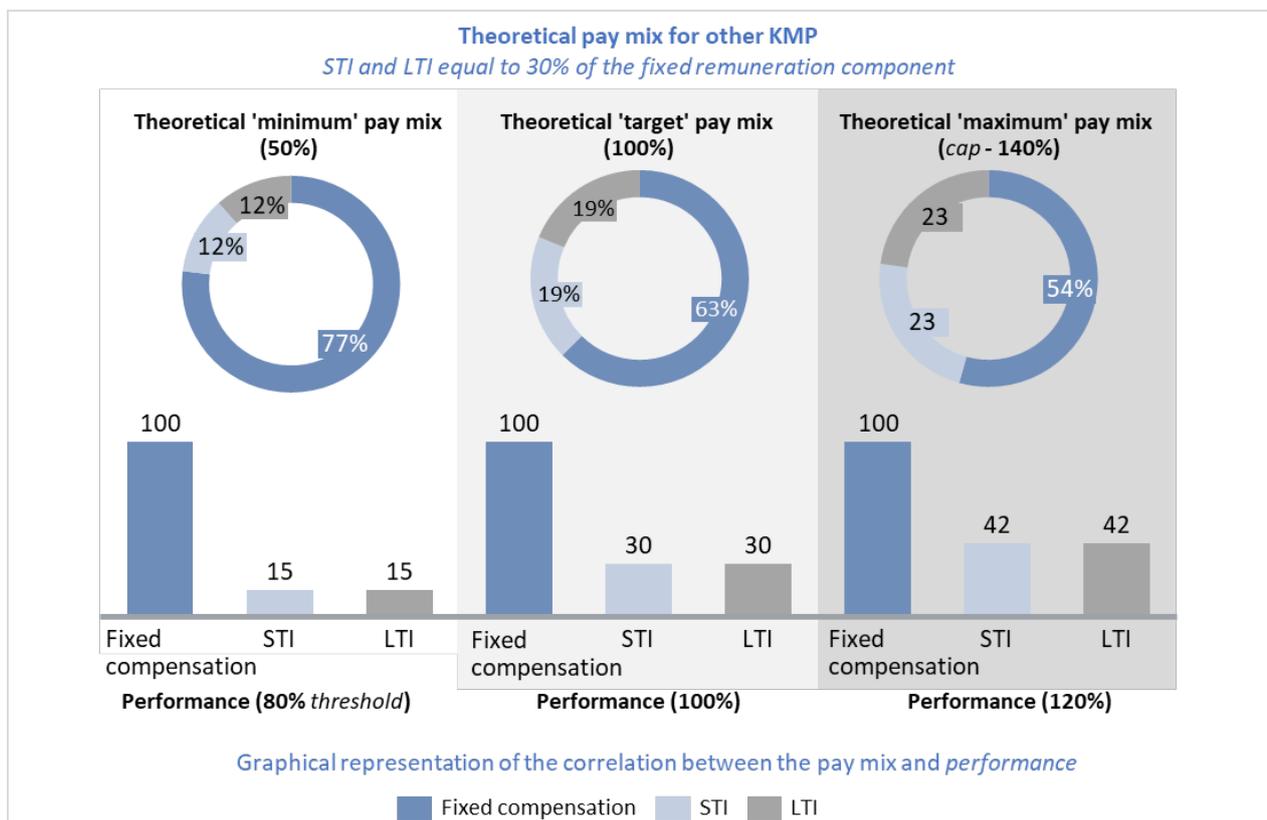
⁴ Moreover, the Board of Directors that met on 5 August 2013 and 5 August 2014, approved the payment of Euro 50,000 to the General Manager Corporate & Finance as the Manager in Charge of Financial Reporting.

The remuneration package of the Chief Executive Officer and Key Management Personnel is characterised by a significant portion connected with the achievement of objectives defined on an *ex-ante* basis, with 50% of the disbursement deferred over time (LTI) and paid in shares.

The balancing of the different components of remuneration is defined on the basis of the role covered; depending on the degree of overall achievement of the objectives, a proportional rebalancing of the *pay mixes* is defined, as illustrated below:

Figure 4 – Composition of the remuneration *pay mix* for the Chief Executive Officer, General Managers and KMP





SHORT-TERM VARIABLE REMUNERATION (STI)

The short-term variable remuneration (STI) is directly correlated to the achievement of annual *performance* objectives.



Objective

Strengthen the link between remuneration and annual performance

STRUCTURE AND TOOLS

The STI Plan is a short-term incentive plan with an annual *performance* period aligned with the objectives of the Business Plan; the Plan requires incentives to be paid exclusively in monetary form (100%).

2021 PERFORMANCE TARGETS

Chief Executive Officer

- (i) annual Group results based on a set of predetermined and measurable metrics focussed on the Group's economic-financial and operating *performance*, defined in accordance with the Business Plan (Revenues, *Net Financial Position*, *Book to Bill* and *EBITDA Margin*);
- (ii) 'Completion of Progetto Italia'.

General Managers and Key Management Personnel:

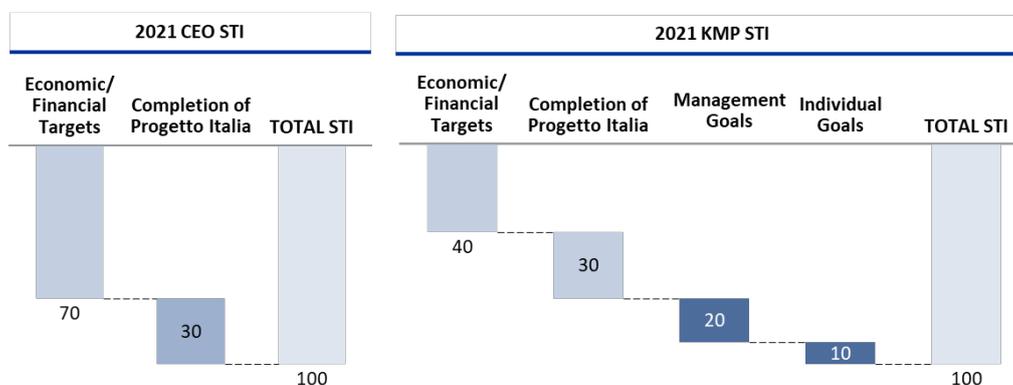
- (i) annual Group results based on a set of predetermined and measurable metrics focussed on the Group's economic-financial and operating *performance*, defined in accordance with the Business Plan (Revenues, *Net Financial Position*, *Book to Bill* and *EBITDA Margin*);
- (ii) 'Completion of Progetto Italia';
- (iii) specific objectives of the relevant Department/*Business Unit*, defined in accordance with the Company's Business Plan;
- (iv) results connected with the individual *performance*.

BONUS CAP – is provided for all beneficiaries and corresponds to 140% of the value of the *target* incentive.

DEFERMENT – no provision is made for deferment mechanisms.

MALUS AND CLAW-BACK – unprejudiced by any other right or remedy deriving from a legal and/or contractual provision, provision is made, within the prescribed terms established by the legal rules in force and irrespective of the termination of employment, for *malus* and *claw-back clauses*.

Figure 5 - Summary scheme of structure of 2021 STI



LONG-TERM VARIABLE REMUNERATION (LTI)

The 2020-2022 LTI Plan is targeted at

- (i) directing the actions of beneficiaries in line with the strategic factors of interest in the medium/long-term for the Group;
- (ii) promoting the stability and *retention* of the beneficiaries;
- (iii) aligning the remuneration of the beneficiaries with the creation of value over the long-term for shareholders and *stakeholders*;
- (iv) guaranteeing a generally competitive level of remuneration.



Objective

Align interests with the creation of sustainable value of the Company in the medium/long-term to guarantee consistency between the annual and long-term performance and strengthen the retention tool

STRUCTURE AND TOOLS

The 2020-2022 LTI Plan has a three-year 2020-2022 *performance* period and is aligned to the duration and objectives of the Business Plan; the Plan requires incentives to be paid in the form of *Performance Shares* (50%) and in monetary form (50%).

PERFORMANCE TARGETS

The 2020-2022 LTI Plan is based on two types of independent indicators, measured with respect to the values in the *Budget/Business Plan* measured in the three-year *performance* period:

- (i) Economic-financial indicators
 - a. Gross Debt on EBITDA, with weight of 25%;
 - b. Total Shareholder Return (“TSR”), with weight of 25%;
 - c. Overheads on revenues, with weight of 30%;
- (ii) risk and sustainability indicators
 - a. Lost Time Injury Frequency Rate, with weight of 10%;
 - b. reduction in the intensity of greenhouse gas emissions, with weight of 10%.

BONUS CAP – is provided for all beneficiaries and corresponds to 140% of the value of the *target* incentive.

2020-2022 three-year **PERFORMANCE PERIOD**

DEFERMENT– provision is made for a deferment to the year after the end of the *performance* period of 50% of the bonus amount accrued for both the component in *Performance Shares* and the portion in monetary form.

MALUS AND CLAW-BACK – unprejudiced by any other right or remedy deriving from a legal and/or contractual provision, provision is made, within the prescribed terms established by the legal rules in force and irrespective of the termination of employment, for *malus* and *claw-back clauses*.

Figure 6 - Summary scheme of structure of the 2020-2022 LTI Plan



SEVERANCE INDEMNITIES

The company's policy is described below as regards:

CHIEF EXECUTIVE OFFICER

- (i) there are no specific payments for the termination of office, nor are there agreements which involve compensation if the term of office ends prematurely or revocation of the office and/or mandate or in the case the mandate is not renewed;
- (ii) as regards the employment relationship, the protection mechanisms set forth in the applicable CCNL (national collective labour agreement) are provided.

GENERAL MANAGERS AND OTHER KEY MANAGEMENT PERSONNEL

- (i) provision is made for the benefits established, respectively, in the legal regulations and/or the CCNL for managers and/or different applicable collective contractual regulations.

On termination of the employment relationship, the Company can pay to the individual General Managers and Key Management Personnel the additional economic benefits with respect to those set forth in the aforementioned provisions which cannot, in any case, exceed a maximum number of 36 months of de facto total remuneration, pursuant to art. 2121 of the Italian Civil Code, including the replacement indemnity for notice, defined when the settlement agreement is finalised, taking into consideration the Company's overall results, the individual *performances* and the duration of the employment relationship.

DISCRETIONARY, OCCASIONAL AND NON-RECURRING COMPONENTS OF REMUNERATION

Taking into account the unique complexity of its *business* and reference market, the Company may pay, residually and in the presence of exceptional circumstances, occasional and additional bonuses with respect to those identified in the Remuneration Policy.

These extraordinary disbursements, in relation to the appropriate authorisation procedures, must be

- i. resulting from the pursuit of the Company's relevant interests in the long-term;
- ii. connected with its sustainability;
- iii. targeted at ensuring its ability to operate on the market;
- iv. functional in terms of the implementation of the Business Plan and Progetto Italia;
- v. of such significance as to have a substantial impact on the value and the volumes of business of the Company and/or associated profitability;
- vi. not liable to be adequately catered for in ordinary variable remuneration systems.

CAP – provision is made for a maximum amount of the extraordinary components of remuneration, corresponding to 140% of the fixed remuneration.

TOOLS

The discretionary, occasional and non-recurring components of remuneration can be disbursed in monetary form and/or in instruments.

BENEFITS

Social security, health and company car benefits



Objective

Developing, strengthening and pursuing long-term interests



Objective

Integrate the remuneration offer in view of the total award

REPORT ON THE POLICY FOR REMUNERATION AND COMPENSATION PAID

This Report (the 'Report' or the 'Remuneration Report') on the Policy for Remuneration and Compensation Paid relating to 2021, was drafted in accordance with art. 123-ter of Legislative Decree 58/1998 (TUF, Consolidated Finance Act), in compliance with art. 84-quater of the Issuers' Regulation and the Corporate Governance Code of Borsa Italiana S.p.A. as well as the provisions contained in CONSOB resolution no. 21624 of 10 December 2020 (Amendments to the regulation containing provisions on related party transactions and the regulation containing the implementing rules of Legislative Decree no. 58 of 24 February 1998, governing markets, and subsequent amendments) regarding the transparency of the remuneration of Directors of listed companies. This Report also takes into account the 2020 Report ("Eighth report on the implementation of the Corporate Governance Code") by the Corporate Governance Committee, with particular regard to the recommendations contained therein, and the letter of 22 December 2020 sent by the Chairperson Patrizia Grieco to the Chairpersons of the Boards of Directors and Boards of Statutory Auditors of Italian listed companies as well as the national and international best practices found in drafting this remuneration report, in order to make the content as clear and usable as possible.

The Report, approved by the Board of Directors on 25 March 2021, upon proposal of the Compensation and Nominating Committee (the "CNC"), consists of two sections.

In Section I, subject to the binding vote of the Shareholders' Meeting pursuant to art. 123-ter, paragraph 3-ter of the Consolidated Finance Act (TUF), the remuneration policy of Webuild is described:

- a) For members of the Board of Directors, divided into Directors vested with specific duties (including Executive Directors) and Non-Executive Directors;
- b) For General Managers;
- c) For Key Management Personnel (specifically, the "KMP" indicated in paragraph 4.6 below);
- d) For members of the Board of Statutory Auditors, without prejudice to the provisions of art. 2402 of the Italian Civil Code.

Section I also provides details on the procedures followed by the Company for the preparation, approval and implementation of the 2021 Remuneration Policy and the parties involved in the process.

The Remuneration Policy reported in the Report relates solely to 2021.

In Section II, subject instead to an annual advisory, non-binding vote of the Shareholders' Meeting pursuant to art. 123-ter, paragraph 6 of the Consolidated Finance Act (TUF), shows the 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, in aggregate form, to KMP, detailed for 2020, for any reason and in any form, including any benefits envisaged for redundancies and/or termination of the employment relations, with explanations of the consistency with the Remuneration Policy approved by the Company for the relevant financial year.

In addition, the sections show the changes introduced by the acknowledgement of the new regulations, in particular regarding (i) the indication of the *performance* objectives reached in comparison with previous ones, (ii) comparison between the annual change in remuneration, the Company's results and the remuneration of employees as well as (iii) any applications of exceptions to the Remuneration Policy in exceptional circumstances and the application of variable compensation correction mechanisms.

Lastly, the Report shows:

- a) pursuant to paragraph 4 of art. 84-quater and Annex 3, Scheme 7-ter, of the Issuers' Regulation, the Tables containing data on the equity investments held by members of the Board of Directors and the Board of Statutory Auditors, as well as by General Managers and KMP in the Company or in companies controlled by the latter;
- b) the relationship between the compensation of company top management and the *performances* of the Company and, therefore, the comparison between the remuneration offer intended for KMP with respect to the remaining company personnel;
- c) a glossary with the main definitions.

The Remuneration Report is made available to the public, in accordance with the deadlines set by law, at the Company's Registered Office and on its website www.webuildgroup.com, in the "Governance/Remuneration" and "Governance/Shareholders' Meeting" sections, so that it can be reviewed prior to the Shareholders' Meeting called to approve the 2020 Financial Statements.

With regard to the tasks and activities of the Compensation and Nominating Committee concerning nominations, see chapters 7-8 of the 2020 Report on the Corporate Governance and Ownership Structure (the "2020 Governance Report"), published on the Company's website www.webuildgroup.com in the "Governance/Governance System/Corporate Governance Report" section.

SECTION I: REMUNERATION POLICY FOR THE FINANCIAL YEAR 2021

The 2021 Remuneration Policy, based on *best market practices* and international *benchmarks* and in compliance with the fundamental principles of fairness, proportionality, competitiveness, meritocracy, sustainability and transparency, aims primarily to:

- a) Pursue the Company's long-term sustainable success;
- b) attract, motivate and retain within the Group strategic personnel with the technical and professional skills required to efficiently pursue Webuild's targets, with regard not only to the current ones but also to the future size and complexity of a Company undergoing significant expansion and with ambitious goals;
- c) align the interests of Management with those of shareholders and stakeholders over the medium/long term, thereby promoting the Company's long-term sustainability.

Moreover, the Remuneration Policy represents a fundamental tool to promote loyalty, strengthen and make the managerial team more cohesive with respect to business strategies, so that they are highly motivated to pursue the objectives and ready to accept new challenges and opportunities, in order to achieve a further improvement of the Company's competitive positioning.

The Remuneration Policy must be defined and interpreted based on the unique phase that distinguishes the Company's business and the specific market in which it operates. In this scenario, Webuild is currently engaged in implementing a medium and long term business plan, which will not only develop the activities that the Group currently pursues through its organisation, but also improve the sector's solidity, its quality and efficiency, safeguarding its skills, its investment capacity, all through the creation of a global *player* that is as solid in the domestic market (in favour of the Italian system, also in terms of supporting GDP and protecting jobs) as it is competitive internationally.

The 2021 Remuneration Policy therefore reflects the desire, including in terms of alignment with market practices and the most recent regulatory changes, that *Management*, as a lever for success for the Company and its strategies, benefits from the creation of value for the Company, through the confirmation of incentive and *retention* mechanisms established specifically in accordance with the objectives of the 2020-2022 Business Plan, including the Progetto Italia and the aforementioned important system-wide objectives.

Thus, the remuneration structure is based on various components and consists of a remuneration package in which a fixed portion of the remuneration and a significant variable part coexist harmoniously. With these components, interrelated to each other, a remuneration offer was developed that is consistent with the complexity of roles and *performance* levels (corporate and individual).

The 2021 Remuneration Policy has been approved by the Board of Directors on 25 March 2021, upon proposal of the CNC, and shall be subject to the vote of the Shareholders' Meeting, pursuant to art. 123-ter, paragraphs 3-ter and 6 of the Consolidated Finance Act (TUF).

The following paragraphs show the process adopted by the Company to define and approve the 2021 Remuneration Policy, bodies and subjects involved, as well as its goals and key principles.

1. GOVERNANCE OF THE REMUNERATION PROCESS

Webuild's Remuneration Policy is the result of a transparent and structured process which, in line with the regulatory guidelines and recommendations of the Corporate Governance Code, sees the active involvement of the corporate bodies and company functions listed hereunder: Shareholders' Meeting, Board of Directors, Board of Statutory Auditors, Compensation and Nominating Committee, Strategic Committee and Control, Risks and Sustainability Committee.

The Compensation and Nominating Committee, in exercising its functions, formulates proposals to the Board on the structure and contents of the Remuneration Policy, and monitors, together with the Board of Directors, the correct implementation of the Remuneration Policy, with the support of the competent company functions.

The Board of Directors, having examined and approved the Remuneration Policy, proposes it to the Company's Shareholders' Meeting, which issues a binding vote. Following the introduction of the provisions of the SHRDII, the Shareholders' Meeting was called to express a binding vote also on Section II, in relation to the compensation paid in the previous year.

For the purposes of the definition and continuous update of the Remuneration Policy, the market practices and remuneration levels, the legal and regulatory provisions and the guidelines issued by CONSOB, and the contents of the Corporate Governance Code are analysed, monitored and evaluated.

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.

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

- a. distributing the total remuneration for the Directors determined by the Shareholders' Meeting, pursuant to art. 2389, paragraph 1 of the Italian Civil Code, unless the Shareholders' Meeting has already done so;
- b. determining the different components of remuneration due to the Chief Executive Officer and to the Directors vested with specific duties, 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;
- c. Establishing the Compensation and Nominating Committee within the Board, as well as defining their respective responsibilities, in compliance with the recommendations of the Corporate Governance Code;⁵
- d. reviewing the incentive plans to be submitted to the Shareholders' Meeting for approval;
- e. defining a Remuneration Policy for Directors, General Managers and Key Management Personnel appointed at a given time, upon proposal of the CNC;
- f. determining the objectives and subsequent verification of attainment for the Internal Audit & Compliance Director, on the proposal of the Control, Risks and Sustainability Committee;
- g. subject to a reasoned opinion of the CNC, assigning, modifying, or supplementing high-level safeguards to Directors and Senior Managers, upon the occurrence of certain events related to the possible early termination of the employment relationship with the Company (see art. 26 of the Bylaws).

For all information regarding the composition of the Board of Directors, please refer to the 2020 Governance Report. With regard to the professional profile of the Directors in office, please refer to the Company's website www.webuildgroup.com - section "Governance - Board of Directors and Committees".

The Strategic Committee

This is the body established on 6 December 2019, pursuant to the provisions of art. 26 of the Bylaws, with functions of supervision and assessment of the activities related to the implementation and activation of the Progetto Italia as well as inquiry and advisory functions in relation to the Board of Directors.

With regard to remuneration policies, as specified in its regulation, the Strategic Committee is required to assess - also in support of the activities of the CNC - the implementation status of the Progetto Italia in light of - and taking into account - objectives and *key performance indicators* applicable at any given time to the Progetto Italia.

The Compensation and Nominating Committee

The Board of Directors established the CNC and attributed powers to it regarding both remuneration and appointments, by identifying three independent and non-executive directors as members, in line with the recommendations of the Corporate Governance Code, based on prior verification of the possession, by at least one member, of adequate skills and experience in financial matters and remuneration policies with regard to the changes in the ownership structures and the provisions of art. 26 of the Bylaws.

Functions

In line with the provisions of the Corporate Governance Code, the CNC carries out advisory and proposal-making activities for the Board of Directors. In particular, with regards to remuneration matters, the CNC, pursuant to Recommendation 25 of the Corporate Governance Code and the provisions of its Regulation, aims to:

⁵ In this regard, note that the Company's Board of Directors resolved to assign to a single committee the functions of the Nominating Committee and those of the Compensation Committee, in order to ensure organisational efficiency for the shared performance of the functions deemed complementary, and in line with the provisions of Recommendation 16 of the Corporate Governance Code.

- a) supporting the Board of Directors in preparing the remuneration policy;
- b) periodically assessing the adequacy, overall consistency and actual implementation of the Remuneration Policy for Directors, General Managers and Key Management Personnel, using the information provided by the Chief Executive Officer for this purpose; formulating related proposals to the Board of Directors;
- c) presenting proposals or expressing opinions to the Board of Directors on the remuneration of executive Directors and other Directors holding specific offices;
- d) presenting proposals or expressing opinions to the Board of Directors on the setting of *performance* targets related to the variable component of the remuneration of executive Directors and other Directors holding specific offices;
- e) monitoring the practical application of the remuneration policy and verifying, in particular, the actual attainment of the *performance* targets.

According to the provisions of its regulation, the CNC is also required to:

- formulating opinions on the achievement of the quantitative and qualitative *key performance indicators* based on the financial statements provided by the structure and the support provided by the Strategic Committee;
- after consulting with the Strategic Committee on the effective achievement of objectives and *key performance indicators* applicable at the time in relation to Progetto Italia, formulating its opinion for the Board of Directors on the remuneration and incentive policies proposed by the Chief Executive Officer which envisage that a significant portion of the variable remuneration of the Company's senior managers is based on the achievement of these objectives and *key performance indicators*.

The CNC reports, reasonably to the first possible meeting of the Board of Directors – through the Chairperson of the Committee – on the most relevant issues examined by the Committee during the meetings (Recommendation 17 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 the frequency required to perform its mandate and, in any case, each time the Chairperson deems it necessary, or when at least one member of the Committee or the Chairperson of the Board of Statutory Auditors requests it. The Chairman of the Board of Statutory Auditors attends the CNC meetings. In addition, the Statutory Auditors may also attend, in particular if the Committee discusses matters on which the Board of Directors will resolve after having received the mandatory opinion of the Board of Statutory Auditors.

Furthermore, the Chief Executive Officer, the Manager in Charge of Financial Reporting and other Directors and/or executives of the Company or external consultants may be invited to participate in the Committee meetings.

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 favour 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 receive support from consultants or other external professionals, including through Group structures, who are not in situations that would compromise the independence of their judgement, should this be necessary in carrying out the Committee's duties, under the conditions established by the Board of Directors.

Activities carried out in 2020

The following table provides details about the CNC meetings during 2020 and the participation of its members:

	% Participation
11 meetings in the course of 2020 Average duration of meetings: 1 hour and 16 minutes	100%

The following activities, for aspects related solely to remuneration, have been carried out by the CNC during 2020:

aggregation of 2019 results linked to short-term variable incentive plans for the Chief Executive Officer, General Managers and KMP

definition of 2020 targets linked to variable incentive schemes of the Chief Executive Officer, General Managers and KMP;

definition of Guidelines for the 2020 Remuneration Policy, as well as the 2020 Remuneration Policy itself;

drafting of the Report on the Policy for Remuneration and Compensation Paid related to the financial year 2020 (Sections I and II) to be submitted to the approval of the Board of Directors in view of the subsequent presentation to the Annual Shareholders' Meeting.

In 2020, the CRN was supported by a consultant for the purpose of a preliminary investigation regarding the possible provision of discretionary, occasional and non-recurring bonuses.

Activities carried out in 2021

The following table provides details about the CNC meetings held during 2021, up to the date of this Report, and the participation of its members:

	% Participation
9 meetings in 2021 Average duration of meetings: 1 hour and 18 minutes	100%

The following activities, for aspects related solely to remuneration, have been carried out by the CNC during 2021:

preliminary investigation regarding the *adjustment* mechanism for the effects of *COVID-19* on the economic-financial objectives of the 2020 STI and 2020-2022 LTI of the Chief Executive Officer, the General Managers and the KMP

aggregation of 2020 STI results for the Chief Executive Officer, General Managers and KMP

review, with the support of a legal advisor - after verifying that independence requirements were met - of the main regulatory changes to be taken into account in drafting the 2021 Remuneration Policy

preliminary investigation regarding extraordinary bonuses pursuant to art. 3.3. of the Report on the Policy for Remuneration and Paid Compensation.

preliminary investigation regarding the definition of the objectives of the 2021 STI and 2020-2022 LTI of the Chief Executive Officer, the General Managers and the KMP

definition of Guidelines for the 2021 Remuneration Policy, as well as the 2021 Remuneration Policy itself

drafting of the Report on the Policy for Remuneration and Compensation Paid related to the financial year 2021 (Sections I and II) to be submitted to the approval of the Board of Directors in view of the subsequent presentation 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 2021 Governance Report.

Control, Risks and Sustainability Committee

As regards remuneration, the Control, Risks and Sustainability Committee proposes to the Board of Directors the determination of the objectives of the Internal Audit & Compliance and subsequent verification of the actual achievement of these.

The Board of Statutory Auditors

With regard to remuneration, the Board of Statutory Auditors, which regularly participates in the CNC meetings, formulates the opinions required by governing legislation with reference, in particular, to the remuneration of Directors vested with specific duties pursuant to art. 2389 of the Italian Civil Code, also verifying its consistency with the general policy adopted by the Company.

The process of approval of the Remuneration Policy

The definition of the 2021 Remuneration Policy – contained in Section I of this Report – is the result of a process, structured in compliance with regulatory provisions and the recommendations of the Corporate Governance Code, in which the CNC, the Board of Statutory Auditors and Board of Directors of the Company play a key role. This Policy is adopted and approved by the Board of Directors on an annual basis, upon proposal of the CNC – which in turn involves the Strategic Committee, for aspects under its jurisdiction, as mentioned above – and subsequently submitted to the vote of the Shareholders' Meeting.

The Board of Statutory Auditors expresses its opinion on the Remuneration Policy, particularly with regard to the part concerning the remuneration of Directors vested with specific duties.

The Board of Statutory Auditors monitors the actual implementation of the corporate governance rules laid down in the Corporate Governance Code, including the resolutions on compensation and other benefits.

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

During 2021, the CNC met 9 times up to the date of the approval of this Remuneration Report. Specifically, the CNC defined the structure and contents of the 2021 Remuneration Policy, for the purpose of preparing this Remuneration Report, in compliance with the latest recommendations of the Corporate Governance Code, in the meetings held on 5, 10, 23, 24 and 25 March 2021.

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

- the resolution of the Shareholders' Meeting held on April 30, 2018, concerning the remuneration of the Chairman of the Board of Directors and the Directors;
- the resolutions of the Board of Directors of 6 June 2018 and 11 March 2020 concerning the remuneration of the Directors vested with specific duties and members of Board committees;
- the resolutions of the Board of Directors of 25 July 2018, 11 March 2020 and 25 March 2021 with regard to the identification of the KMP;
- the resolution of the Board of Directors meeting of 19 March 2021, which, based on figures for the Financial Statements at 31 December 2020, ascertained and approved the level of achievement by the Chief Executive Officer, General Managers and Key Management Personnel, of the 2020 STI targets;
- the determinations adopted by the Board of Directors on 25 March 2021, in relation to the payment of discretionary, occasional and non-recurring bonuses;
- the guidelines of the *proxy advisors* and main institutional investors;
- the activities carried out by the independent advisors involved.

The above activities, together with those related to nominations (as described in the 2021 Governance Report, to which reference should be made), were carried out 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 2020 Report on the Evolution of Corporate Governance of Listed Companies issued by the Corporate Governance Committee.

In the meetings held on 5, 10, 23, 24 and 25 March 2021, the CNC, with the input of the competent corporate departments and following the outcome of meetings held, defined and approved the Guidelines and the 2021 Remuneration Policy, for submission to the Board of Directors.

The 2021 Guidelines and Remuneration Policy were approved by the Board of Directors, at the proposal of the CNC, in the meeting held on 25 March 2021. The Remuneration Report was therefore approved on the same date. 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 2021 REMUNERATION POLICY

2.1 Purposes of the 2021 Remuneration Policy

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

With a view to sustainable value creation for the Company, the 2021 Remuneration Policy also has 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 and which considers the economic-financial, qualitative and sustainability results.

Specifically, the 2021 Remuneration Policy, in keeping with the remuneration plans approved in 2020 for Directors, General Managers and KMP, responds to the need for considering, apart from the sector's unique aspects and complexity, also new and important development and integration challenges arising from the Group's expansion on the market, the 'Completion of Progetto Italia' and its specific objectives, an activity whose oversight requires the ability to manage complex integrated business processes aimed at developing large infrastructure works that require highly specialised *know-how* within a scenario of marked geographical and social-cultural differences.

In this scenario, the Company considers, when regulating the remuneration of the *Top Management* who contribute significantly to the company *performances*, the remuneration policies to be an important tool to support the implementation of the corporate strategy, the pursuit of long-term interests and its sustainability over time.

The alignment of remuneration payments with market practices and trends is equally important for offices and roles of comparable levels in terms of responsibility and complexity, as identified through surveys and benchmarks drawn up on the basis of a panel of companies qualifying as peers or comparables of the Company, which is regularly updated.

2.2. Remuneration Policy principles

Webuild's Remuneration Policy is defined on the basis of the principles of fairness, proportionality, competitiveness, meritocracy, sustainability and transparency, as also illustrated in the introduction to this Policy, and also acknowledges the recent changes introduced by the European legislation on shareholders' rights as well as most recent amendments introduced by the new Italian legislation on the matter.

More specifically, the principles forming the basis of the Remuneration Policy are:

- a) *fairness*, in terms of rewarding the knowledge and professional skills of individuals as well as recognising the roles and responsibilities assigned, the results achieved, and the quality of the professional contribution rendered;
- b) *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 Key Management Personnel appointed at a given time, whose remuneration structure is appropriately 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;
 - 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 corporate bodies and departments;
- c) *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 verified 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 in terms of peers or comparables;
- d) *meritocracy*, in terms of consistent valuation of results obtained based on actions put in place for their achievement, (which must be oriented towards constant compliance with existing regulations and procedures), with performance targets defined based on the assumptions and general conditions known at the moment of said definition and with the elimination of external and unforeseeable factors that do not fall under the manager's control when assessing and finalising performance targets, in order to guarantee comparability of results and the valuation of the actual company performance linked to managerial activity;

- e) *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;
- f) *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 analysing and certifying the fairness and consistency of the data and methods used to calculate the above-mentioned incentives;
 - the provision of *claw-back* clauses which allow the Company to reclaim - or in the context of *malus* clauses, not to disburse - 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 behaviours in breach of corporate, contractual or legal regulations.

2.3. Balance between the fixed component and the variable component of remuneration (i.e. pay mix), also with reference to sector practices

The balance between the fixed component and the variable component of remuneration, appropriate and consistent with the Company's strategic objectives and risk management policy, was determined in light of the characteristics of the business activity and its reference sector, considering that the variable remuneration component assumes a key role for the success of the Progetto Italia, as well as of the Business Plan as a whole. Consequently, wanting to correlate the interests of management with those of shareholders, the balance is characterised by the high relevance of objectives that constitute the "milestones" of the new organisational model; in fact, the creation of the "global player", referred to as the central purpose of the Progetto Italia, cannot ignore - and indeed is strongly focused on - the success of the gradual consolidation of targets in the infrastructure sector.

In this sense, by maintaining the pay mix adopted for the Chief Executive Officer, the General Managers and some KMP, in the context of previous Remuneration Policies, which provided for 1/3 reserved for fixed remuneration, 1/3 reserved for the short-term component and 1/3 dedicated to the long-term component, it was decided to make the key performance indicators connected to the Progetto Italia highly relevant, in terms of content, targets and consequent impact on the different forms of variable remuneration.

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.

The *pay mix* is defined in accordance with the position assigned, making provision for an increasing weight on variable remuneration for the roles that can most directly affect the corporate results. The short-term and long-term variable components have the same % weight in the remuneration package.

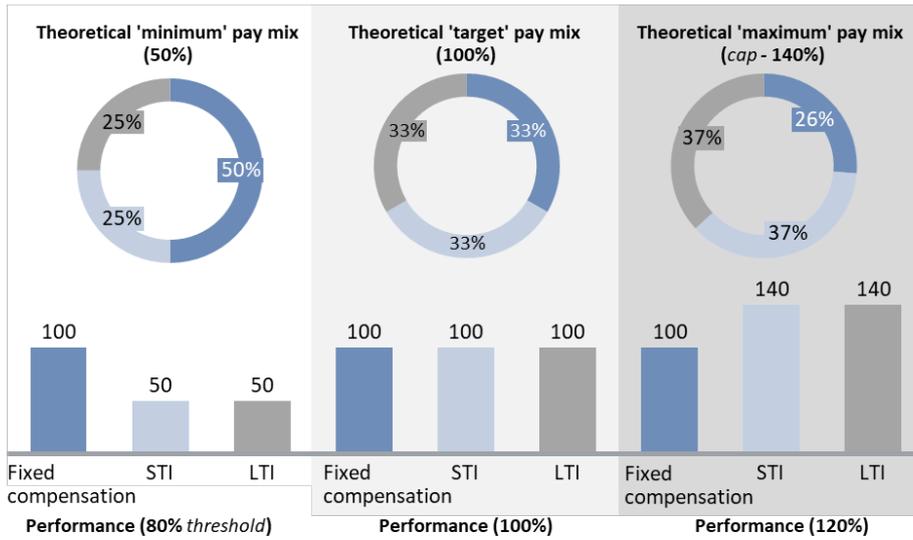
Therefore, for KMP, in line with the role held, the *pay mix* sets forth that the component of annual variable remuneration may correspond to 30%, 50% or 100% of the fixed component, and the component of long-term variable remuneration also has the same incidence.

In implementation of the aforementioned criteria, the total compensation of the Chief Executive Officer, the General Managers and the KMP was determined according to the theoretical *pay mix*, illustrated in Figure 7.

Figure 7 - Remuneration Pay mix

Theoretical pay mix for the Chief Executive Officer, General Managers and KMP

STI and LTI equal to 100% of the fixed remuneration component

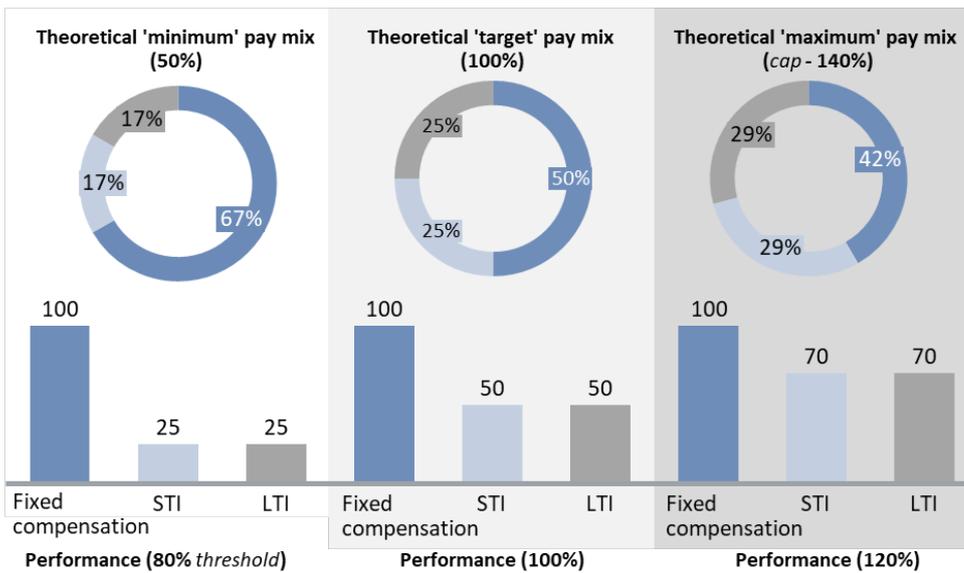


Graphical representation of the correlation between the pay mix and performance

■ Fixed compensation ■ STI ■ LTI

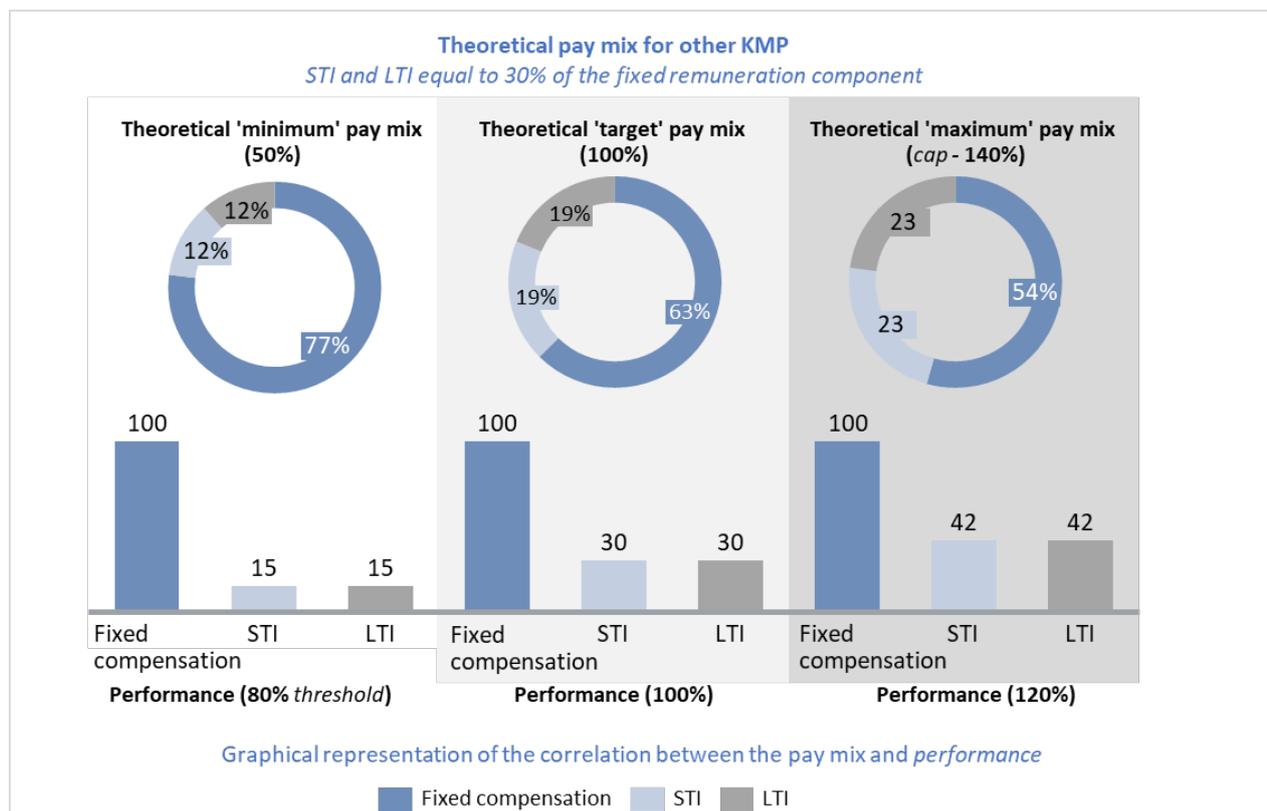
Theoretical pay mix for other KMP

STI and LTI equal to 50% of the fixed remuneration component



Graphical representation of the correlation between the pay mix and performance

■ Fixed compensation ■ STI ■ LTI



3. THE COMPONENTS OF THE 2021 REMUNERATION POLICY

3.1. Fixed remuneration component

The fixed component of remuneration values the skills and experience and compensates *management* consistent with the characteristics of the role and the related responsibilities.

In order to ensure competitive and fair fixed remuneration, the Company also takes into account, with the support of a qualified external consultant, market trends, practices and remuneration levels, using companies in sectors comparable in size and business activities as benchmarks.

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

The fixed component is established:

- for Directors (and, possibly, for the Chairman and Deputy Chairman, if appointed) by the Shareholders' Meeting convened to appoint the Board of Directors;
- for Directors vested with specific duties (and possibly also the Chairman and Deputy Vice Chairman, if the Shareholders' Meeting has not done so), 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 Key Management Personnel, upon hiring, subject to any reviews based on *performance*, change of office with a with new responsibilities, 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.

The fixed remuneration for the Chief Executive Officer, General Managers and 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 business risk in the event of termination of the employment relationship, as well as (v) size and management complexity of the Company.

With regard to Non-Executive Directors vested with specific duties, in keeping with Corporate Governance Code recommendations, the related compensation is not linked to the Company's financial results and is commensurate

with the commitment required in relation to participation in Board committees, and also taking into account (i) the responsibilities of each collegial body, in compliance with the specific relevant applicable rules; (ii) the required skills and/or professional qualifications of each member, including in compliance with professional requirements provided by the afore-mentioned applicable rules; (iii) to the expected duration and frequency of committee meetings, which can be assumed based on their assigned duties, with different compensation for the Chairman and the members of each committee, taking into consideration their role in coordinating proceedings and liaising with corporate bodies and departments.

Similarly, as regards the members of the Board of Statutory Auditors, the amount of the related compensation must be adequate for the skills, professionalism and commitment required by the appointment, as appropriately assessed also by the Board of Directors which can, for this purpose, formulate the relative compensation/adjustment disbursement proposals for the Shareholders' Meeting.

For purposes of determining the remuneration to be paid to Non-Executive Directors and to the members of the Board of Statutory Auditors, the Board of Directors and the CNC may reference, as an assessment tool, common remuneration practices, including abroad, in the relevant sectors and for companies of similar size.

Directors, General Managers, Key Management Personnel appointed at a given time and Statutory Auditors are also entitled to reimbursement for out-of-pocket expenses linked to the role performed.

Note that the current Group *policies* require that employees repay, where approved, fees and/or compensation paid for organic activities carried out on the Group's mandate. This is because the individual remuneration benefits are already considered as compensation for the aforementioned benefits.

3.2. Variable components of remuneration payments

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

The variable component of remuneration is divided into a short-term component and a long-term component in a perspective of sustainability of results and value creation for shareholders in the medium/long term.

The variable component of remuneration envisages maximum amounts with respect to disbursement, as well as predetermined *performance* targets, measurable and linked to a long-term horizon.

These are *performance* targets consistent with the Company's strategic objectives, mainly of a financial nature but also providing for non-financial qualitative and sustainability parameters.

Short-term variable components of remuneration.

The purposes of the STI Plan

The annual variable incentive system aims to align the individual conduct with the organisation's annual strategic objectives by rewarding the beneficiaries for the results achieved in the short-term (1 year).

The STI is reviewed annually by the Compensation and Nominating Committee - and for matters within its competence, the Strategic Committee - which proposes to the Board of Directors the objectives for the Chief Executive Officer and the KMP, by identifying their metrics.

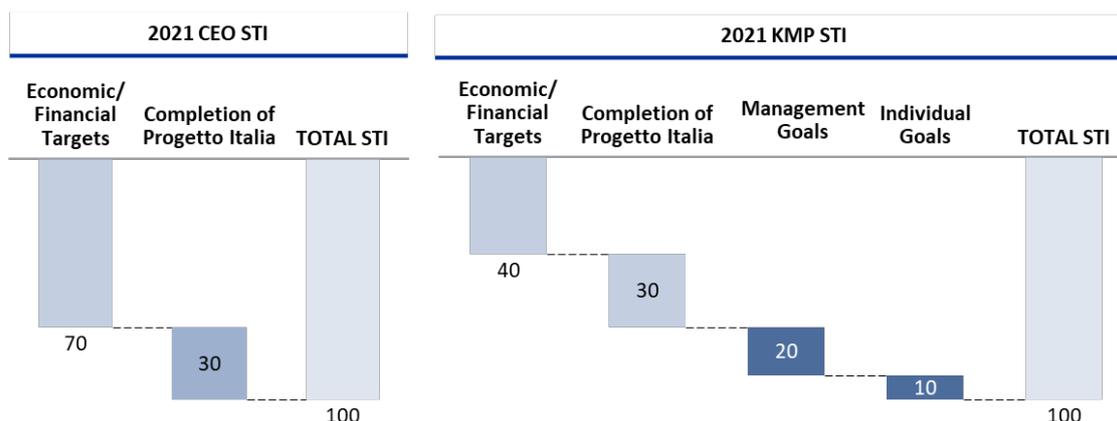
Targets and the performance scale

Short-term variable remuneration of the Chief Executive Officer ("2021 CEO STI") is directly linked to the achievement (i) of the Group's annual results indexed to a set of predetermined and measurable metrics, focused on the Group's financial and operating performance defined in accordance with the Business Plan, as well as (ii) of specific targets linked to 'Completion of Progetto Italia'.

With respect to General Managers and KMP, the relative short-term incentive plans ("*2021 KMP STI*") follow a "cascading" results measurement approach (Figure 8), i.e. are indexed to the achievement of (i) the Group's annual results in line with the aforementioned KPIs; (ii) the results associated with 'Completion of Progetto Italia', and (iii) the results of the specific Department/Business Unit, defined in line with the Company's Business Plan, and (iv) results linked to individual *performance*.

Note that, with specific reference to the Internal Audit & Compliance Director and Chief Financial Officer & Group Risk Officer, in order to ensure and strengthen the position of independence they must assume, it is envisaged not only that the composition of the remuneration *pay mix* includes a higher percentage for the fixed component with respect to the variable component, but also that the related objectives are not linked to economic and financial targets. Thus, the relative short-term incentive plans also follow the "cascading" results measurement approach but indexed to the achievement of (i) results of the relevant specific Department/Business Unit and (ii) results linked to individual *performance*, following an investigation by the Control, Risk and Sustainability Committee.

Figure 8 - Summary scheme of structure of 2021 STI



The system in place - in line with the most recent *best practices* - appropriately balances individual *performance* incentives, on one hand, with sustainability, on the other.

The targets for Department/Business Unit and for individual performance - both quantitative and qualitative - 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/KMP with regard to achieving general strategic targets pursued by the Company.

The determination of the targets relating to the 2021 CEO STI (i) of an economic/financial nature for the Group is carried out by the Board of Directors, after receiving the opinion of the CNC, (ii) connected to 'Completion of Progetto Italia', is carried out by the Board of Directors, after receiving the opinion of the CNC and, for aspects under its competency, of the Strategic Committee.

With regard to setting the targets for the 2021 KMP STI, the resulting activity is carried out (i) for economic/financial targets, by the CEO, after receiving the opinion of the CNC, (ii) for those concerning 'Completion of Progetto Italia', by the CEO, having received the opinion of the CNC and, for aspects under its competency, the Strategic Committee, (iii) for Department/Business Unit and individual performance targets, by the CEO, having received the opinion of the CNC.⁶

A minimum performance threshold is indicated for each parameter - below which no sum is awarded - positioned close to the target figure. On reaching this minimum threshold, a bonus will be paid that is lower than the *target bonus*, which only accrues when 100% of the targets are achieved.

At the end of each financial year, the verification regarding the extent to which the assigned targets were achieved for the purposes of disbursing the relative STI compensation is performed by the Board of Directors for the 2021 CEO STI, having received the opinion of the CNC, with regard to economic/financial targets and also, for matters within its competence, of the Strategic Committee, with reference to those connected with 'Completion of Progetto Italia'.

Instead, with regard to verifying the extent to which the targets were achieved, for the purposes of the 2021 KMP STI, (i) the assessment of the achievement of the economic/financial, Department/Business Unit and individual performance targets is performed by the Chief Executive Officer, after consulting the CNC, while (ii) the assessment of the achievement of the targets linked to 'Completion of Progetto Italia' is the responsibility of the Chief Executive Officer, after consulting the CNC and, for aspects under its competency, the Strategic Committee. In the presence of exceptional circumstances, the Board of Directors, on the proposal of the CNC, and with the prior favourable opinion of the Committee for Related-Party Transactions and the Board of Statutory Auditors, as well as, for matters within its competence, the Strategic Committee, can make all changes and additions to the STI structure, independently and with no need for additional approvals from the Company's Shareholders' Meeting, deemed necessary or appropriate to adjust the functioning to the changed situation, at the same time, keeping the substantive and economic contents of the relevant regulation unchanged, as far as possible and within the limits permitted by the legislation in force from time to time.

⁶For the Internal Audit & Compliance Director, determining the objectives and subsequent verification of attainment of the results is carried out by the BOD, based on the prior preliminary investigation of the Control, Risks and Sustainability Committee.

Malus and claw-back clauses

With regard to short-term variable components of remuneration, *claw-back* clauses are envisaged, within the terms prescribed by governing regulations and regardless of whether the employment relationship is still in place, that allow the Company to ask for a partial or total return of variable components of remuneration (or not to pay these variable components, in the context of *malus clauses*) whose amount was determined based on data that was subsequently found to be manifestly incorrect due to the violation, by the beneficiary, of company regulations, contracts, or the law, or due to his/her wilful misconduct or gravely malicious behaviour aimed at altering data to measure the achievement of targets.

No compensation is paid to individuals whose conduct breached company regulations (especially the Code of Ethics and the Organizational Model pursuant to Legislative Decree 231/01 and the Anti-Corruption Model), or contractual clauses or the law or in the event of wilful misconduct or gravely malicious behaviour to damage the company.

However, these mechanisms are applied without prejudice to any other action permitted by the law to protect the Company's interests.

Mechanisms for deferring the payment of the short-term variable portion of remuneration over multiple years are not envisaged.

Long-term variable components of remuneration. The 2020-2022 LTI Plan

On 4 May 2020, the Shareholders' Meeting approved the 2020-2022 LTI Plan, with a three-year term effective from 1 January 2020 and ending on 31 December 2022.

2020-2022 LTI Plan objectives

This Plan, linked to the 2020-2022 performance period, is intended for managers whose roles are relevant for results ("Beneficiaries of the 2020-2022 LTI Plan"); the plan, in line with current legislation and international best practices, seeks, with transparency in procedures and content, to incentivise management by allowing it to benefit from creating value for the Company through long-term reward mechanisms.

Hence, the 2020-2022 LTI Plan therefore has the objective of (i) driving the actions of beneficiaries in line with factors of strategic interest in the medium/long term for the Group, (ii) promoting stability and retention of beneficiaries, (iii) aligning remuneration of beneficiaries to the creation of long-term value for shareholders and stakeholders and (iv) guaranteeing an overall competitive level of remuneration.

Targets and the performance scale

From this perspective, the long-term variable component is linked to achieving certain results at Group level, consistently with those set out in the Business Plan and, therefore, the Progetto Italia; for this reason, the 2020-2022 LTI Plan is a closed plan that seeks to avoid a discrepancy between the time horizon of corporate strategies and the horizon of the incentive system.

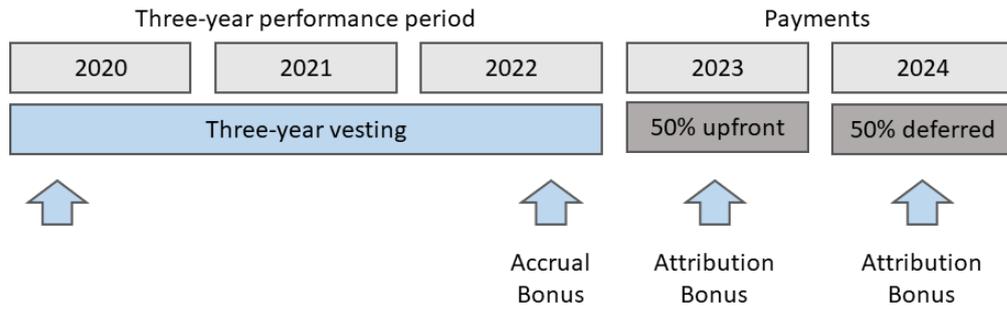
The reference targets are set by the Board of Directors, after receiving the opinion of the CNC and, for aspects under its competency, the Strategic Committee.

Provided the reference targets are met, the 2020-2022 LTI Plan awards a bonus consisting of a monetary component, or 50%, and *performance shares* for the remaining 50%, in an effort to align with the relevant provisions which require the disbursement of a portion of variable remuneration in *equity* instruments, indexing it over a long-term horizon, as well as subjecting it to *performance* conditions, that is, to the sustainability of positive results over time.

The *performance shares* will be effectively assigned at the end of a three-year *vesting* period.

In particular, the method of payment of the long-term variable remuneration provides for a first tranche equal to 50% up front after the aforementioned vesting period and a second tranche, again equal to 50%, deferred to the second year following the three-year performance period. As stated above, the targets and KPIs of the 2020-2022 LTI Plan are aligned with the Business Plan and, as a result, also with the Progetto Italia, to anchor the results to the level of achievement of the strategic objectives.

Figure 9 - 2020-2022 LTI performance period and deferment



In particular, the 2020-2022 LTI Plan⁷ is based on two types of indicators, jointly the 'Objectives of the 2020-2022 LTI Plan', measured independently, with respect to the values in the *budget/Business Plan*, which are as follows:

- (i) economic-financial indicators defined as *Gross Debt* on EBITDA (with a weight of 25% and measurement of the % ratio as a result of the Progetto Italia effect), *Total Shareholder Return* (TSR) with a weight of 25% (improvement of the TSR index in the performance period) and *Overheads on revenues*, with a 30% weight and percentage measurement determined by the implementation status of the Progetto Italia;
- (ii) indicators related to risk and sustainability, defined as *Lost Time Injury Frequency Rate* (with a weight of 10% and measurement of the average % reduction in the performance period of the LTIFR index) and reduction of the intensity of “greenhouse gas emissions” (with 10% weight and quantitative measurement of the reduction of GHG gas emissions - Scope 1-2 - as compared to revenues).

The Accrued Bonus will be determined based on the level of achievement of the 2020-2022 LTI Plan Targets. Each Target that has been at least 80% achieved will then be multiplied by the relative weight in order to determine the amount of Accrued Bonus referable to this Target, as indicated in Figure 10 and Table 2:

Figure 10 - 2020-2022 LTI Plan - Performance Scale

Macro-categories	KPIs	Reference and measuring target	Weight	Performance and Min Payout	Performance and Target Payout	Performance and Max Payout (CAP)
Economic/Financial Targets (Progetto Italia KPIs)	Gross Debt on EBITDA	Measurement of % ratio thanks to the effect of Progetto Italia	25%	80% Performance, 13% Payout	100% Performance, 25% Payout	120% Performance, 35% Payout
	TSR	Improvement of TSR ratio in the performance period	25%	80% Performance, 13% Payout	100% Performance, 25% Payout	120% Performance, 35% Payout
	Overheads on revenues	Measurement of % as a result of Progetto Italia	30%	80% Performance, 15% Payout	100% Performance, 30% Payout	120% Performance, 42% Payout
Risk and Sustainability	Lost Time Injury Frequency Rate	Average % reduction of the LTIFR ratio in the performance period	10%	80% Performance, 5% Payout	100% Performance, 10% Payout	120% Performance, 14% Payout
	Reduction of the intensity of greenhouse gas emissions	Quantitative measurement of reduction of GHG gas emissions (Scope1-2) vs revenues	10%	80% Performance, 5% Payout	100% Performance, 10% Payout	120% Performance, 14% Payout

It should be noted that the Internal Audit & Compliance Director and the Chief Financial Officer & Group Risk Officer are both recipients of the 2020-2022 LTI Plan, with targets, indexed scale of achievement of targets and a payout curve similar to that described for Beneficiaries of the 2020-2022 LTI Plan, excluding economic/financial targets and with a specific breakdown of indicators related to risk and sustainability, each with a weight of 50% of the total LTI, in line with the assigned duties.⁷

Table 2 - 2020-2022 LTI: determination of the Bonus based on attainment of the objectives⁸

Achievement level	% Accrued Bonus, with respect to the Target Bonus
2020-2022 Gross Debt on EBITDA	
less than 80%	0%
equal to 80%	12.5%
equal to 100%	25%
equal to or greater than 120%	35%
between 80% and 100%	Linear interpolation of extreme values between 12.5% and 25%
between 100% and 120%	Linear interpolation of extreme values between 25% and 35%
TSR	
less than 80%	0%
equal to 80%	12.5%
equal to 100%	25%
equal to or greater than 120%	35%
between 80% and 100%	Linear interpolation of extreme values between 12.5% and 25%
between 100% and 120%	Linear interpolation of extreme values between 25% and 35%
2020-2022 Overheads on revenue	
less than 80%	0%
equal to 80%	15%
equal to 100%	30%
equal to or greater 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%
LTIFR	
less than 80%	0%
equal to 80%	5%
equal to 100%	10%
equal to or greater than 120%	14%
between 80% and 100%	Linear interpolation of extreme values between 5% and 10%
between 100% and 120%	Linear interpolation of extreme values between 10% and 14%
Reduction of the intensity of 'greenhouse gas emissions'	
% Accrued Bonus, with respect to the Target Bonus	
less than 80%	0%
equal to 80%	5%
equal to 100%	10%
equal to or greater than 120%	14%

⁸For market sensitivity reasons, an accurate disclosure is not provided on the target levels set for each *performance* objective.

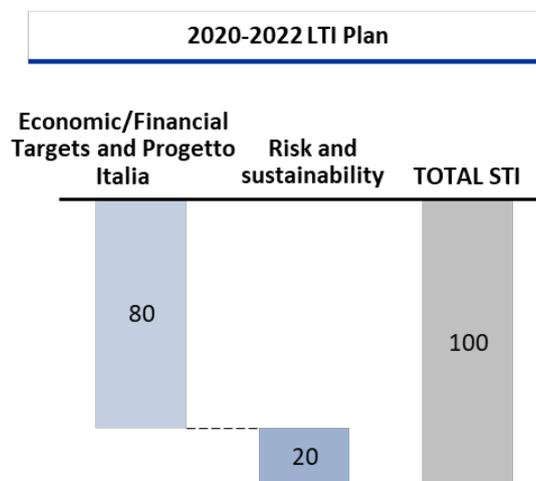
between 80% and 100%	Linear interpolation of extreme values between 5% and 10%
between 100% and 120%	Linear interpolation of extreme values between 10% and 14%

Consequently, if all targets of the 2020-2022 LTI Plan have been achieved at the level of:

- (a) less than 80%, the Accrued Bonus will be zero;
- (b) equal to 80%, the Accrued Bonus will be 50% of the Target Bonus;
- (c) equal to 100%, the Accrued Bonus will be 100% of the Target Bonus;
- (d) equal to or greater than 120%, the Accrued Bonus will be 140% of the Target Bonus.

The Targets of the 2020-2022 LTI Plan that have not been reached to at least an 80% level 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 Targets of the 2020-2022 LTI Plan that were reached for at least 80%, multiplied by the relative weight.

Figure 11 - Summary scheme of structure of the 2020-2022 LTI Plan



The achievement of the 2020-2022 LTI Plan Targets is ascertained by the Board of Directors, on proposal of the CNC and, for aspects under its competency, the Strategic Committee, subject to verification that the minimum performance level has been attained.

The 2020-2022 LTI Plan may also be extended to those who, during the 2020-2022 three-year period, become part of the Group’s Management and/or assume, for internal career growth, the position of General Manager and/or the status of Key Management Personnel. In this case, inclusion is subject to the condition of being able to participate in the Plan for at least one full year and the incentive percentages will be re-indexed to the number of months of effective participation in the 2020-2022 LTI Plan.

In the presence of exceptional circumstances, the Board of Directors, on the proposal of the CNC, and with the prior favourable opinion of the Committee for Related-Party Transactions and the Board of Statutory Auditors, as well as, for matters within its competence, the Strategic Committee, can make all changes and additions to the LTI structure, independently and with no need for additional approvals from the Company’s Shareholders’ Meeting, deemed necessary or appropriate to adjust the functioning to the changed situation, at the same time, keeping the substantive and economic contents of the relevant regulation unchanged, as far as possible and within the limits permitted by the legislation in force from time to time.

Malus and claw-back clauses

With regard to long-term variable components of remuneration, *claw-back* clauses are envisaged, within the terms established by current legislation and regardless of the termination of the employment relationship, that allow the Company to activate initiatives aimed at the partial or total return of variable components of remuneration (or not to pay them, even withholding, in the context of *malus* clauses, the components subject to deferment). The foregoing may be provided in the event that it is ascertained that such amounts were determined

based on objectives whose achievement is attributable to wilful misconduct or gravely malicious behaviour or, in any case, due to the violation of reference regulations (corporate, legal, contractual), or were achieved based on data that is subsequently found to be manifestly erroneous.

The Company can also decide not to pay individuals whose conduct breached company regulations (especially the Code of Ethics and the Organisational Model pursuant to Legislative Decree 231/01 and the Anti-Corruption Model), or contractual clauses or the law or whose wilful misconduct or seriously malicious behaviour may have damaged the Company.

However, these *ex post* mechanisms are applied without prejudice to any other action or remediation permitted by the law to protect the Company's interests.

For further information on the 2020-2022 Performance Share Plan, please refer to the Information Document published on the Company's website www.webuildgroup.com in the section "Governance – Shareholders' Meeting", as part of the documentation relating to the shareholders' meeting on 4 May 2020.

3.3. Other types of discretionary, occasional and non-recurring remuneration

Taking into account the unique complexity of its *business* and reference market, the Company may pay, residually and in the presence of exceptional circumstances, occasional and additional bonuses with respect to those identified in the Remuneration Policy.

These extraordinary disbursements must, however, be consequent to the pursuit of the Company's important long-term interests, linked to its sustainability, aimed at ensuring its ability to stay on the market, functional for the implementation of the Business Plan and the Progetto Italia, as well as being of such significance as to have a substantial impact on the Company's value and business volumes and/or on the relative profitability and as such are not adequately met by ordinary variable remuneration systems.

Further parameters suitable for justifying these additional and extraordinary disbursements are represented by the existence of any extraordinary transactions or results as well as of individual behaviours which constitute *over-performance* that are not already included in the STI and LTI variable components.

In this regard, the procedural conditions, determined in compliance with the remuneration governance processes applicable to the various categories of recipients, envisage (i) the competency of the Board of Directors, upon proposal of the CNC, with regard to the Chief Executive Officer, (ii) the competency of the Chief Executive Officer with regard to General Managers and KMP, and (iii) adequate disclosure according to the provisions of governing regulations, in Section II of the first Remuneration Report following the disbursement.

The amount of the aforementioned extraordinary disbursements cannot exceed 140% of the fixed remuneration component on an annual basis.

3.4. The Policy on non-monetary benefits and insurance coverage, or social security or pension payments other than statutory obligations

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 KMP is supplemented by non-monetary benefits.

Directors receive insurance coverage for work-related and non-work-related accidents which result in death or permanent invalidity.

The Chief Executive Officer, General Managers and KMP, in line with the provisions of the Collective Agreement for Managers of Companies Producing Goods and Services (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 the industry *best practices*, the Company also has a "D&O" (i.e., *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 KMP 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 termination of employment initiated by the Company or by the individual *manager*, the provisions of the regulations in force as well as those of the Managers' CCNL shall apply.

Agreements for the consensual termination of the employment relationship with the aforementioned parties may be concluded, when a termination of the relationship is not related to the achievement of objectively inadequate

results, in line with the reference *benchmarks* on the matter, while also pursuing post-contractual methods for protecting the Company's assets, in the form of non-competition agreements and specific agreements regarding confidentiality and prohibition of transfers.

With respect to the effect of the termination of the employment relationship or the office of Director on the 2020-2022 LTI Plan before the end of the relevant *Vesting Period*, given that the right to receive the bonus is intrinsically and functionally linked to the continuation of the employment relationship of the Beneficiaries with the Company or its subsidiaries, unless the Board of Directors resolves in a more favourable way for the Beneficiaries, the following scenarios are possible:

- a) in the event of termination of the employment relationship and/or office during the *Vesting Period* as a result of one of the following scenarios ("*Bad Leaver*"):
 - voluntary resignation of the Beneficiary;
 - termination of the employment relationship initiated by the Company for just cause pursuant to art. 2119 of the Italian Civil Code;
 - revocation or non-renewal of the office of Director without just cause;
 - early termination of the freelance work agreement for just cause;
- b) in all remaining cases of termination of the employment relationship and/or office during the *Vesting Period* as a result of a scenario other than those listed above ("*Good Leaver*"), the Beneficiary (or his/her heirs) will retain the right to a portion of the bonus determined on a pro-rata temporis basis;
- c) in the event of termination of the employment relationship and/or office due to ("*Leaver*"):
 - death;
 - total and permanent disability;
 - retirement.

the Beneficiary (or his/her heirs) will in any case retain the right to participate in the 2020-2022 LTI Plan if the termination took place after the *Vesting Period* or, if it took place during the *Vesting Period*, will retain the right to the related portion determined on a pro-rata temporis basis.

With reference to the STI, the Beneficiary will lose the right to receive the related payment in the event the employment relationship is not in place at the time of its disbursement or if the beneficiary has been notified of the termination but is still working.

It is understood that (i) except in cases of death and infirmity, the employment relationship is understood as terminated for these purposes from the moment of the communication of termination for any reason, regardless of any period of notice contractually due, (ii) the Board of Directors retains the right, having received the opinion of the CNC, to waive the application of the provisions of the art. 3.5, in the terms and methods that will be identified by the Board at its sole discretion.

4. STRUCTURING OF COMPONENTS OF REMUNERATION

4.1. Remuneration of the Chairman of the Board of Directors

Shareholders' Meeting remuneration for office

The Shareholders' Meeting held on 30 April 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 31 December 2020, of Euro 400,000.

Payment in the event of termination of office

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

Benefits

Insurance coverage and welfare payments are provided for the Chairman (for details, see Section II, Table 1 attached to this Report).

4.2. Remuneration of the Deputy Vice Chairman of the Board of Directors

The Board of Directors held on 27 March 2019 approved the payment of a gross annual remuneration of Euro 100,000 to the Deputy Vice Chairman for the statutory activities carried out.⁹ This amount is in addition to the fees received as Board Director and as member of Board committees.

4.3. Remuneration of Non-Executive Directors

Shareholders' Meeting remuneration for office

The Shareholders' Meeting held on 30 April 2018 approved a gross annual remuneration for each member of the Board of Directors, in office until the approval of the financial statements as at 31 December 2020, of Euro 60,000.

Remuneration for participation in Board committees

The Board of Directors on 6 June 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 of each member, also in application of the professional requirements provided by the afore-mentioned applicable law and the expected duration and frequency of committee meetings, assumed in consideration of their duties, upon proposal of the CNC and with the favourable opinion of the Board of Statutory Auditors, has resolved to pay the following compensation to the appointed members of internal committees:

Committee	Members	Annual gross compensation (Euro)		Annual gross total (Euro)
		Chairperson	Member	
Control, Risks and Sustainability	6	60,000	45,000	285,000
Compensation and Nominating	3	35,000	20,000	75,000
Related Party Transactions	4	15,000	10,000	45,000

The Board of Directors of 11 March 2020, concerning the responsibilities attributable to the Strategic Committee - established on 6 December 2019 and, therefore, not included in the 2019 Remuneration Policy - taking into consideration the functions and responsibilities as well as the expected duration and frequency of the committee's meetings, in light of the tasks assigned to it, on the proposal of the CNC and with the favourable opinion of the Board of Statutory Auditors, resolved to disburse the following fees for the Directors on said committee:

Committee	Members	Annual gross compensation (Euro)		Annual gross total (Euro)
		Chairperson	Member	
Strategic Committee	5	40,000	25,000	140,000

Payment in the event 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.

⁹ In the same meeting, the Board of Directors also confirmed the role of Deputy Vice Chairman as Non-Executive and Independent Director of the Company, also based on the approved remuneration.

Benefits

Insurance coverage and welfare payments are provided for Non-Executive Directors (for details, see Section II, Table 1 attached to this Report).

4.4. The remuneration of the Control Bodies

Remuneration of the Statutory Auditors

The Company's policy on the remuneration of the members of the control body was determined in accordance with the provisions of art. 2402 of the Italian Civil Code, by the Shareholders' Meeting of 4 May 2020, which set the annual compensation for the Chairperson of the Board of Statutory Auditors at Euro 140,000 and the annual compensation for each Statutory Auditor at Euro 80,000. For details of the elements of the remuneration of the statutory auditors, please refer to Section II.

4.5. Remuneration of the CEO

The Board of Directors' meeting on 30 April 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 organisation 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, thus Pietro Salini is linked to the Company through a permanent contract for the independent and unique functions of Manager.

Fixed components of remuneration payments

The amount of Gross Annual Salary (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 that contract, was determined as Euro 650,000.

The amount of fixed fee 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 Euro 1,350,000.

In light of the above, the fixed component of remuneration of the Chief Executive Officer resulting from the sum of the GAS and fixed fee 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 Euro 2,000,000.

In addition to the CEO Fixed Component, the annual gross amount of Euro 60,000 resolved by the Shareholders' Meeting of 30 April 2018 for the role of Director should be also be considered as additional fixed element of the remuneration.

At the date this Report was prepared, the Chief Executive Officer holds the position of member of the Strategic Committee, with the corresponding annual gross disbursement of Euro 25,000.

The CEO Fixed Component should be considered adequate as compensation for the performance of the CEO even if the variable component is not awarded due to failure to meet the relevant *performance* targets indicated by the Board of Directors.

Short-term variable components of remuneration.

The Chief Executive Officer, precisely in this capacity and as consideration for exercising his powers, is also entitled to receive a variable remuneration, again pursuant to art. 2389 of the Italian Civil Code, in terms of STI and LTI Plans.

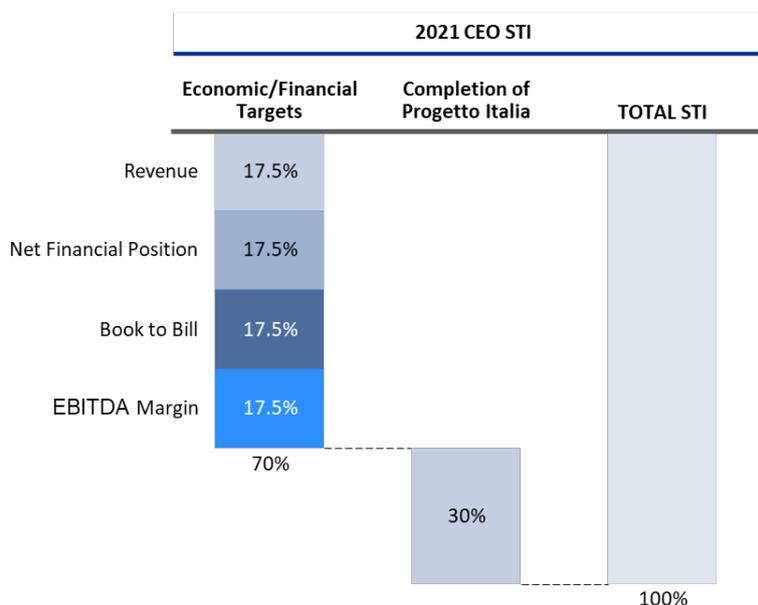
The 2021 STI for the CEO is recognised as a function of the achievement of the targets of the Group, as targets for *individual performance* and for *Department/Business Unit* envisaged for General Managers and KMP do not apply to the CEO.

The amount of the 2021 STI for the CEO was confirmed - taking as basis for the calculation the CEO Fixed Component - as Euro 2,000,000 gross upon achieving 100% of the targets. The payment and amount of the 2021 STI are subject and indexed to reaching the fixed targets as described in Table 3 and Figure 12:

Table 3 - Structure of 2021 CEO STI ¹⁰

Categories	Parameters	Weight
Economic and Financial	▪ Revenue	17.5%
	▪ <i>Net Financial Position</i>	17.5%
	▪ <i>Book to Bill</i>	17.5%
	▪ EBITDA Margin	17.5%
Completion of Progetto Italia	Performance of activities such as: <ul style="list-style-type: none"> ▪ <i>Proactive scouting</i> of opportunities, on both the Italian and foreign markets, for the growth of the company and acquisition of skills, in respect of the financial commitments assumed; 	10%
	▪ Webuild - Astaldi corporate and organisational integration: implementation of the planned processes and activities, to be carried out in 2021 as per the integration plan;	10%
	▪ <i>Digital & Innovation</i> : launch and completion of the 2021 <i>deliverables</i> in relation to <i>Big Data</i> , <i>Knowledge Management</i> and process revision, <i>Fleet Management</i> and <i>Performance Management System (Core HR)</i> .	10%

Figure 12 - Structure of 2021 CEO STI



The right to receive the 2021 STI accrues based on the results achieved 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 CEO Fixed Component, calculated by linear interpolation for pre-set intervals. Should performance in terms of the relevant targets be below 80%, no amount linked to that target shall be paid.

¹⁰ For market sensitivity reasons, an accurate disclosure is not provided on the target levels set for each performance objective.

Long-term variable components of remuneration: 2020-2022 LTI Plan

With respect to the long-term incentive plan, the Board of Directors identified the Chief Executive Officer as Beneficiary of the 2020-2022 LTI Plan as described in the paragraph 3.2 to which reference should be made.

The amount of the 2020-2022 LTI was set - taking as basis for the calculation the CEO Fixed Component - at Euro 6,000,000 upon achieving 100% of the targets. This amount stands at Euro 2,000,000 on an annual basis; in fact, note that this a "closed" plan, i.e. which makes provision for a single assignment at the start of the *three-year performance period*. The methods relating to any payment are subject to and based on attainment of the objectives set, as described in paragraph 3.2, to which reference should be made.

Payments envisaged in the event of termination of office and of 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 revocation of the office and/or mandate or in the case the mandate is not renewed.

Moreover, given that the Chief Executive Officer has an employment contract with the Company, he also benefits, with regard to this relationship, from the ordinary protection regulations envisaged in the Managers' CCNL in the event of resignation and/or termination of the employment relationship.

Benefits

Non-monetary benefits are paid to the Chief Executive Officer (for details, see Section II, Table 1).

4.6. Remuneration of General Managers and KMP

From time to time, the Company identifies General Managers and Key Management Personnel, based on the duties effectively carried out, in line with the definition referred to in Consob Regulation no. 17221/2010.

Table 4 shows the General Managers and other Key Management Personnel, highlighting the area to which each individual belongs (Corporate/Operations), appointed by the Board of Directors on 25 March 2021:

Table 4 - General Managers and Key Management Personnel⁴

POSITION TITLE AREA NAME		
General Manager Corporate and Finance	Corporate	Massimo Ferrari
General Manager Global Operations	Operations	Claudio Lautizi
Internal Audit & Compliance Director	Corporate	Francesco Albieri
General Counsel¹¹	Corporate	Vinicio Fasciani
Group HR, Organisation and Systems Director	Corporate	Gian Luca Grondona
Group Bidding & Engineering Director¹¹	Corporate	Michele Longo
Global Supply Chain Director	Corporate	Claudio Notarantonio
Chief Financial Officer & Group Risk Officer	Corporate	Massimo Pompei
Operations Executive Director Far East & Oceania¹¹	Operations	Marco Assorati
Deputy General Manager Operations Executive Director Americas¹¹	Operations	Ignacio Botella
Operations Executive Director Sub-Saharan Africa¹¹	Operations	Christian Fabio Capitanio
Group Commercial Director¹¹	Operations	Francesco Falco
Domestic Operations Director¹¹	Operations	Nicola Meistero
Operations Executive Director Europe¹¹	Operations	Pablo Sonnendrucker Martinez

¹¹ Key Management Personnel appointed by the Board of Directors on 25 March 2021

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 adequately rewards the performance of the General Managers and KMP, even when the variable component should not be awarded due to failure to meet its relevant target objectives.

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

Short-term variable components of remuneration

With regard to the variable component for 2021, General Managers and KMP are also eligible to receive a short-term variable compensation ("2021 KMP STI") upon reaching 100% of the targets in addition, equal to a portion of the respective fixed remuneration components of between 30% and 100%, based on the characteristics of the role held.

Payment and the amount of the respective 2021 KMP STI are subject to and based on achievement of the following results, each with a relative weight (Table 5 and Figure 13):

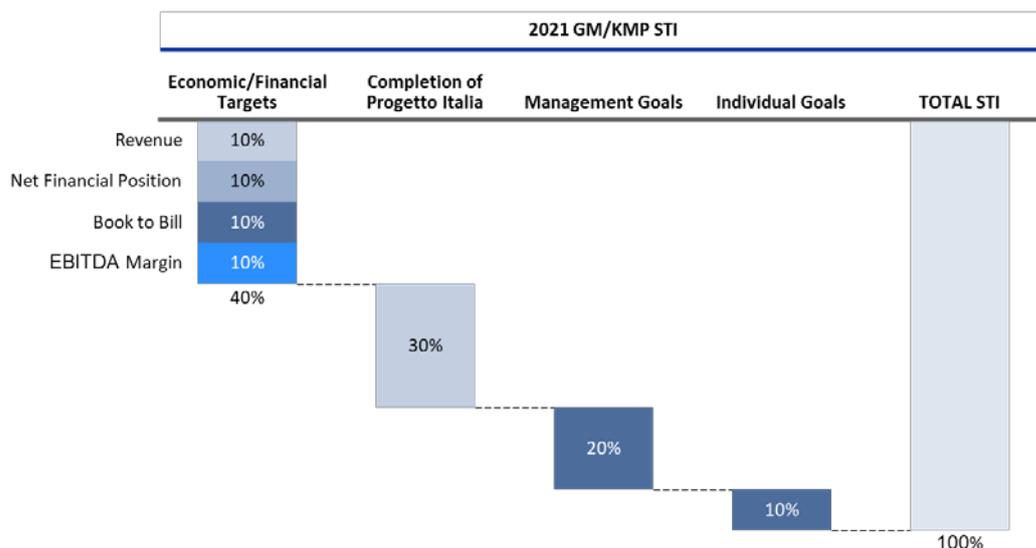
Table 5 - Structure of 2021 GM/KMP STI ^{12 13}

Categories	Parameters	Weight
Economic and Financial	▪ Revenue	10%
	▪ <i>Net Financial Position</i>	10%
	▪ <i>Book to Bill</i>	10%
	▪ <i>EBITDA Margin</i>	10%
Completion of Progetto Italia	Performance of activities such as: <ul style="list-style-type: none"> ▪ <i>Proactive scouting</i> of opportunities, on both the Italian and foreign markets, for the growth of the company and acquisition of skills, in respect of the financial commitments assumed; 	10%
	<ul style="list-style-type: none"> ▪ <i>Webuild - Astaldi corporate and organisational integration</i>: implementation of the planned processes and activities, to be carried out in 2021 as per the integration plan; 	10%
	<ul style="list-style-type: none"> ▪ <i>Digital & Innovation: launch and completion of the 2021 deliverables in relation to Big Data, Knowledge Management and process revision, Fleet Management and Performance Management System (Core HR).</i> 	10%
Management Objectives (<i>Business, Risk and Sustainability</i>)	<ul style="list-style-type: none"> ▪ Specific management objectives (e.g. cost cutting plan, development of <i>Leadership in Safety</i>, integration, effective/efficient management of offer process, development of new revenues, <i>Performance Dialogue</i>, etc.) 	20%
Individual Goal	<ul style="list-style-type: none"> ▪ Adherence to the <i>Leadership Model</i> and contribution to <i>Change Management</i> 	10%

The Chief Financial Officer & Group Risk Officer and the Internal Audit & Compliance Director are the recipients of the STI Plan, with targets, indexed scale of achievement of targets and a payout curve similar to that described, excluding only the economic/financial targets and with a specific breakdown of Management Goals and Individual Goals, each weighing 50% of the Total STI, in line with the assigned duties.¹²

¹³ For market sensitivity reasons, an accurate disclosure is not provided on the target levels set for each performance objective.

Figure 13 - Structure of 2021 GM/KMP STI



The right to receive the 2021 KMP STI accrues based on the results achieved 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 the fixed remuneration component, calculated by linear interpolation at pre-determined intervals. Should performance in terms of the relevant targets be below 80%, no amount linked to that target shall be paid. Also with regard to General Managers and to KMP, discretionary, occasional and non-recurring payments may be made, according to what is provided for paragraph 3.3, to which reference should be made.

Long-term variable components of remuneration: 2020-2022 LTI Plan

As regards the criteria for participation in the 2020-2022 LTI Plan of General Managers and KMP, please refer to paragraph 3.2.

In the event of participation, the amount of the 2020-2022 LTI - taking as basis for the calculation the Fixed Component - is set at an amount equal, on achieving 100% of the targets, to 90%, 150% or 300% of the fixed remuneration - 30%, 50% or 100% respectively on an annual basis. Note that this is a "closed" plan, i.e. which makes provision for a single assignment at the start of the *three-year performance period*. The methods relating to any payment are subject to and based on attainment of the objectives set, as described in paragraph 3.2, to which reference should be made.

Remuneration of the Internal Audit & Compliance Director

For the Internal Audit & Compliance Director, provision has been made for a specific short- and long-term incentive plan with objectives consistent with his/her responsibilities. In fact, in order to ensure and strengthen the position of independence he/she must assume, it is envisaged not only that the composition of the remuneration *pay mix* includes a higher percentage for the fixed component with respect to the variable component, but also that the related objectives are not linked to economic and financial targets.

Payment in case of termination of employment

For General Managers and KMP who are employees of the Company, in the event of termination of the employment relationship, the payment established, respectively by law and/or by the Manager's CCNL (National Collective Employment Agreement) and/or the different relevant collective contractual provisions are applied. Upon termination of the employment relationship, the Company can grant individual General Managers and KMP additional financial benefits with respect to that which is envisaged in the aforementioned provisions. These benefits constitute incentives that can be agreed between the Company and management in view of or on the occasion of early termination of the employment relationship or termination of the office, provided that there is an interest for the Company in this sense. Consequently, in the event of voluntary resignation or in any other

case in which the payment is not in accordance with the interests of the Company, there are no conditions for the stipulation between the parties of such incentives.

The amount deriving from the application of these clauses/agreements cannot in any case exceed a maximum number of 36 months of de facto total remuneration (including the replacement indemnity for notice), defined when the settlement agreement is finalised, taking into consideration the Company's overall results, the individual performance and the duration of the employment relationship.

A further essential condition for the recognition of the aforementioned additional amounts is that the manager signs a settlement agreement that envisages (i) the waiver of any further claim against the Company, the Group and shareholders, (ii) the termination of any office within the Company and/or Group, and (iii) reciprocal clauses regarding confidentiality and non-denigration.

With reference to professional roles with particularly significant characteristics, such that the termination of the relationship may lead to risks, the Company reserves the right to define, on a case-by-case basis, non-competition agreements that provide for the payment of a consideration commensurate with the duration and extent of the restriction resulting from the agreement following the conclusion of the employment relationship and/or termination of office.

With regard to the existence of agreements concluded during the employment relationship, note that the Company currently has specific agreements with some KMP designed to govern *ex ante* aspects related to any possible early termination of employment.

The terms of these agreements, defined in line with the regulations in force and with reference *benchmarks*, pursuant to the provisions of the Remuneration Policy, provide for the payment of a 36-month all-inclusive compensation¹⁴ (including the relevant indemnity in replacement of the notice period) in case of (i) a change in the control of the Company¹⁵ or (ii) in the event of termination without just cause pursuant to art. 2119 of the Italian Civil Code.

Lastly, the provisions under paragraph 3.5, with respect to the effects of termination of employment relationships on the 2020-2022 LTI Plan, remain applicable.

Benefits

Insurance coverage or welfare payments are provided for General Managers and KMP with better conditions than those established in the national collective bargaining agreement, as well as the allocation of a company car for personal use and, possibly, housing (for details see Section II, Table 1).

¹⁴Using as reference parameter the de facto total remuneration, calculated as the sum of the annual gross remuneration, the average variable remuneration of the past three years and the valuation of any fringe benefits.

¹⁵ It being understood that entry into the Company's share capital by CDPE in execution and under the terms and conditions set out in the Investment Agreement will not constitute a "trigger event" and no payment obligation will arise for change of control as long as CDPE, for the entire duration of the Progetto Italia, holds a stake of at least 10% of the ordinary share capital, unless the change of control derives from a full public tender offer (mandatory or voluntary) on the Company.

SECTION II: DETAILS OF ITEMS THAT MAKE UP THE REMUNERATION AND THE COMPENSATION PAID IN 2020

INTRODUCTION TO SECTION II

Section II of the Report on the Policy for Remuneration and Compensation Paid provides not only detailed information on the compensation received during the reference year by members of the Administration and Control Bodies, General Managers and Key Management Personnel, but describes the correlation between the levels of achievement of the *performance* and the components of variable remuneration in relation to the applicable Policies. In addition, the Section includes the information relating to the change in the compensation of the members of the Administration and Control Bodies, General Managers and Employees and of the company *performance*.

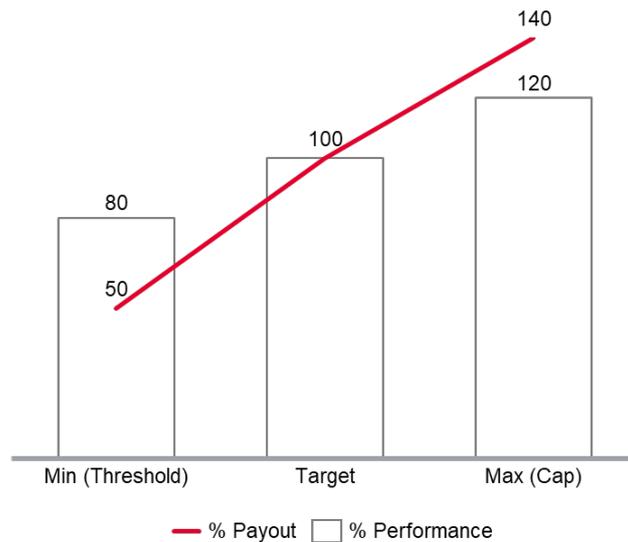
CORRELATION BETWEEN *PERFORMANCE*, *PAYOUT* AND COMPARISON BETWEEN THE *PERFORMANCE* TARGETS ACHIEVED AND EXPECTED

The short (STI) and long-term (LTI) variable remuneration is connected to a series of indicators that represent, from time to time, the *drivers* on which to focus the *performance* of the *Management* in reaching the objectives that form the basis of the short- and long-term strategies of the company, as well as the pillars and rationale underpinning the Business Plan. The structure of the incentive system requires, in particular, each assigned objective to be measured on an individual basis within a specific *performance* scale, based on the actual level of achievement, linked to a *payout* curve (Figure 14).

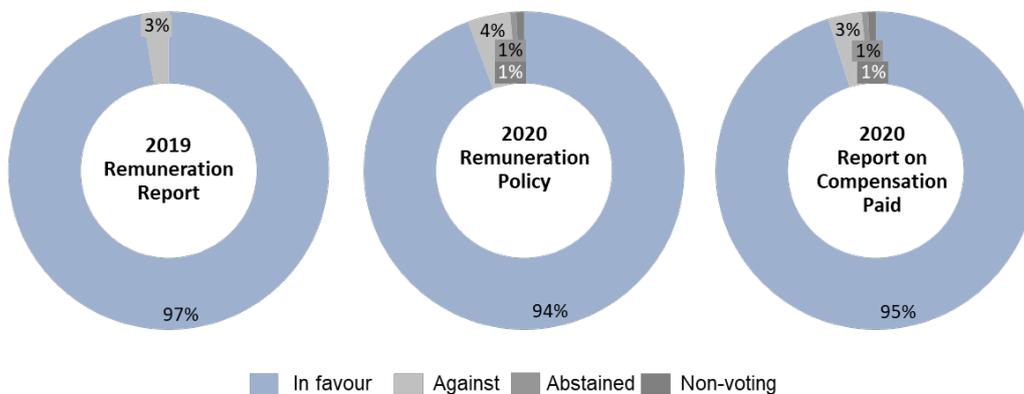
The correlation between the *performance* and the *payout* is calculated through a linear interpolation for pre-established levels, with the minimum *performance* thresholds under which no payment will be made. Hence, this correlation guarantees that the variable remuneration systems are based on practical 'sustainability' criteria, i.e. that the payments only originate if the qualitative or quantitative objectives, to which the specific bonus is connected, have been 'measured' and achieved to a significant degree.

The *performance* curve therefore provides for a minimum access threshold equal to at least 80% of the value of the *target* assigned, to which payment of 50% of the *bonus target* corresponds, and a maximum level of 120% of the *target*, to which payment of 140% of the *bonus target* corresponds. For *performances* exceeding 120%, the maximum threshold over which the *extra performance* does not produce effects on the *bonus* payable, provision is instead made for the application of a *cap* on the variable remuneration, both short or long-term, hence limiting the value of the *bonus* payable to the maximum thresholds defined on an *ex-ante* basis.

The variable remuneration systems, in line with the regulatory recommendations as well the market *best practices*, also include economic-financial, project, qualitative and *ESG* objectives, therefore guaranteeing the correct balance between the 'quantitative' and 'qualitative' targets, consequently making it possible to evaluate the extent to which they have been reached and also to 'weight' and consider the skills and behaviour to reach said targets.

Figure 14 - Correlation between *performance* and *payout*

The following pages represent the correlation between *performance* and *payout* as regards 2020 variable incentive systems. In enriching the graphical methods of representing the data, account was taken of (i) the requirements introduced by the new rules aimed at promoting the transparency and involvement of shareholders in the matter of remuneration as well as (ii) the latest results of shareholders' meeting votes (Figure 15 - Outcome of votes of Shareholders' Meeting) which, albeit positive, represent a starting point for a process of greater clarity with respect to the methods of presenting matters relating to remuneration.

Figure 15 - Outcome of votes of Shareholders' Meeting¹⁶

COMPARISON BETWEEN THE ANNUAL VARIATION IN THE COMPENSATION OF MEMBERS OF THE ADMINISTRATION AND CONTROL BODIES, GENERAL MANAGERS, THE REMUNERATION OF EMPLOYEES AND THE RESULTS OF THE COMPANY

In compliance with the new Issuers' Regulation and Annex 3A, Scheme 7-bis, Section II, First Part, paragraph 1.5, the table is presented below (Table 6) which illustrates the comparison between the annual variation in the compensation of members of the administration and control bodies, general managers, the results of the company and the remuneration of employees.

¹⁶ No provision was made in 2019 for a separate vote on the two different Sections of the Report

Table 6 - Annual variation in the compensation of members of the administration and control bodies and general managers, the results of the company and the remuneration of employees (Euro/000)

		2019	2020	Change over the year
Chief Executive Officer	Salini Pietro	5,400	6,144	+14%
	of which fixed	2,000	2,000	0%
	of which emoluments	60	87	
	of which variable ^a	3,215	3,913	
	of which <i>benefit</i>	125	144	
Chairperson	Iacovone Donato	28	404	na ¹
Deputy Vice Chairman	Greco Nicola	187	256	+37%
Directors	Balzani Francesca	7	136	na ¹
	Capaldo Giuseppina	116	74	-36%
	Cattaneo Mario Giuseppe	124	124	0%
	Cera Roberto	64	64	0%
	Di Stefano Pierpaolo	4	107	na ¹
	Marazzita Giuseppe	6	99	na ¹
	Natale Marina	7	136	na ¹
	Parente Ferdinando	126	155	+23%
	Passacantando Franco	109	109	0%
	Pucci di Barsento Laudomia	83	64	-22%
	Salini Alessandro	64	64	0%
Volo Grazia	64	64	0%	
Chairman of the Board of Statutory Auditors	Sarubbi Giacinto	120	134	+11%
Standing auditors	Cassader Roberto	0	53	na ²
	Simonelli Paola	0	53	na ²
General Manager Corporate and Finance	Ferrari Massimo	4,146	2,905	-30%
	of which fixed	800	800	0%
	of which variable ^a	3,308	2,064	
	of which <i>benefit</i>	38	40	
General Manager Global Operations	Lautizi Claudio	2,275	2,155	-5%
	of which fixed	602	602	0%
	of which variable ^a	1,674	1,553	
Other Employees ^b	Average Fixed Annual Remuneration	70	70	-1%
	Average Annual Fixed and Variable Remuneration	74	73	-1%
Company results ^c	EBT (Million €)	91	332	+265%
	Revenues (Million €)	5,331	5,315	0%
	EBITDA (Million €)	423	779	+84%
	Backlog (Million €)	36	42	+17%
Ratio of GM-Employee remuneration	Pay ratio Annual fixed remuneration	28:1	29:1	
	Pay ratio Annual fixed and variable remuneration	71:1	81:1	

¹= comparison cannot be performed given appointed on 6 December 2019 - for more details see the information included in Section II, Table 1

²= comparison cannot be performed given appointed on 4 May 2020

^a= including short- and long-term variable for the year, plus any discretionary, occasional and non-recurring bonuses

^b= remuneration calculated on a *full-time-equivalent* basis at 31/12 for each year. Includes: fixed remuneration, indemnities, short- (STI) and long-term (LTI) variable remuneration for the year, plus any discretionary, occasional and non-recurring bonuses; figures for General Managers are excluded, whose remuneration is shown on a named basis.

^c= the data relating to the results are the adjusted data included in the financial statements of the reference years

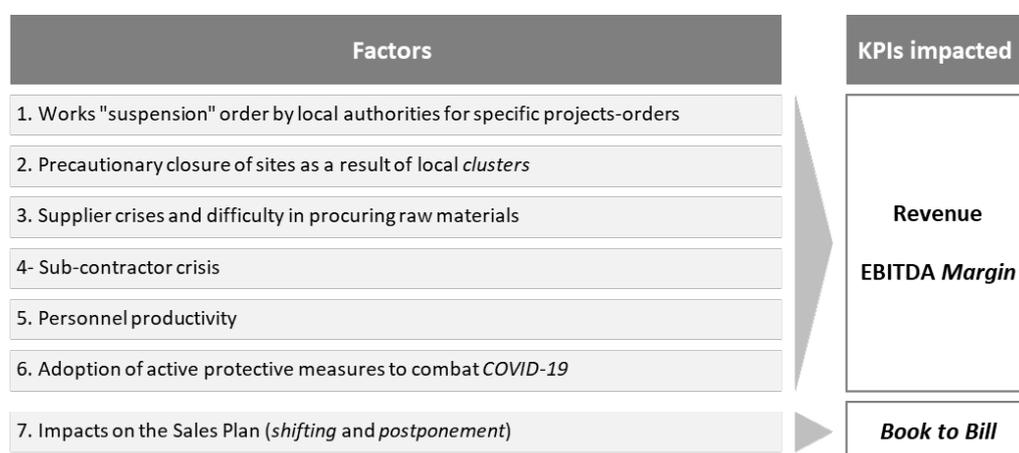
CORRECTIVE EFFECTS OF COVID-19 – EXCEPTIONS TO THE 2020 VARIABLE REMUNERATION SYSTEM

In light of the evolution of the macroeconomic context and the effect of the health emergency due to COVID-19, in 2020, the Company saw fit to adopt an adjustment methodology, with monitoring at least every two months, for the verification and oversight of the effects of COVID-19 on the economic-financial KPIs to which the variable remuneration is linked.

The adjustment methodology - defined by the Board of Directors, based on the preliminary investigation of the Compensation and Nominating Committee and with the involvement of an *advisor* appointed by said Committee - is based on the identification of 7 adjustment factors (Figure 16) deemed suitable for measuring the impact of the health emergency on the Company's KPIs, of which:

- 6 factors with a direct impact on Revenues and the *EBITDA Margin* and quantified through an analysis of the deviations recorded on the production curves of the individual orders;
- 1 factor with a direct impact on the *Book to Bill*, regarding the orders obtained, and quantified through an analysis of the deviations recorded on the *Bidding Plan*.

Figure 16 - COVID-19 Adjustment factors



Owing to the methodology illustrated above, on the proposal of the Compensation and Nominating Committee and having consulted, for matters within its competence, the Strategic Committee, the Board of Directors adopted, in application of the exceptions set forth for the 2020 Remuneration Policy, a process of final reporting of the 2020 STI Plan which considered the impacts of the factors highlighted above on the economic-financial indicators assigned. In addition, at the time of final reporting, aside from the effects of COVID-19, the effects of the PPA (*Purchase Price Allocation*) and of the *backlog* of Astaldi were excluded from the calculation of the economic-financial parameters, therefore in order to avoid duplicity of calculation of the effects of Progetto Italia, already subject to autonomous final reporting for the Progetto Italia *target*, and in the disbursement of the discretionary, occasional and non-recurring bonuses.

5. REMUNERATION OF ADMINISTRATION AND CONTROL BODIES AND OF OTHER KEY MANAGEMENT PERSONNEL

5.1 Fixed and variable remuneration components for members of the Board of Directors currently in office

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

Gross annual remuneration approved by the Shareholders' Meeting of 30 April 2018 (Euro)	
Chairperson	400,000
Directors	60,000

Following this renewal of the Board of Directors, on 9 May 2018, the Board created the internal committees, establishing the related remuneration, on 6 June 2018, as follows:

Committee	Gross annual remuneration approved by the Board of Directors on 6 June 2018 (Euro)	
	Chairperson	Members
Control, Risks and Sustainability	60,000	45,000
Compensation and Nominating	35,000	20,000
Related Party Transactions	15,000	10,000

In addition to the above, following the establishment, on 6 December 2019, of the Strategic Committee and the appointment, on the same date, of the relative members, the Board of Directors granted a mandate to the CNC to carry out a preliminary investigation for determining the compensation for members of that committee. This compensation was therefore determined, on the proposal of the CNC, by the Board of Directors of 11 March 2020, in the following amounts:

Committee	Gross annual remuneration approved by the Board of Directors on 11 March 2020 (Euro)	
	Chairperson	Members
Strategic Committee	40,000	25,000

The compensation paid to each Director in office during the 2020 financial year is shown in detail in Section II, Table 1 attached to this Report, drawn in compliance with the Consob standard.

Payment in the event of termination of office

There are no specific termination benefits for Non-Executive Directors or agreements which provide for compensation if the term of office ends prematurely.

Benefits

Forms of insurance coverage and welfare benefits are provided for Non-Executive Directors in office.

5.2. Components of the remuneration of the Board of Statutory Auditors

The Board of Statutory Auditors was appointed, for the 2020-2022 three-year period, by the Shareholders' Meeting of 4 May 2020, which also resolved the following compensation:

Name	Role	Annual Gross Remuneration
Giacinto Gaetano Sarubbi	Chairperson	140,000
Roberto Cassader	Auditor	80,000
Paola Simonelli	Auditor	80,000

Compensation due for the 2020 financial year for the Board of Statutory Auditors is therefore equal to Euro 300,000 gross. Please see Section II, Table 1 for the compensation actually paid in 2020.

5.3. Fixed and variable remuneration components for the Chief Executive Officer

Fixed remuneration component of the Chief Executive Officer

In 2020, in addition to the compensation of the annual gross amount of Euro 60,000 paid in relation to the office of Board Director and the compensation of Euro 26,712 gross for participation in the Strategic Committee, the

Chief Executive Officer Pietro Salini received a fixed fee for the mandate of Euro 1,350,000 gross, pursuant to art. 2389, paragraph 3 of the Italian Civil Code, in addition to Euro 650,000 gross as Gross Annual Salary for separate management duties performed.

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

2020 STI variable component of the Chief Executive Officer

The 2020 STI variable component of the Chief Executive Officer (“**2020 CEO STI**”) was quantified - using as a basis for calculation the CEO Fixed Component - at Euro 2,000,000 gross upon achieving 100% of the targets.

The 2020 CEO STI targets were structured as follows and determined on the basis of the *budget* figures relating to 2020, as represented in the following table.

	2020 CEO STI parameters	Weight
Economic/Financial Targets	Revenue	30%
	Book to bill	15%
	EBITDA Margin	15%
Progetto Italia Targets	Implementation of activities, actions and processes related, as part of the strategic priorities determined for each individual year, to initiatives of: acquisition and/or integration; integration and/or turnaround of acquired companies (e.g. commercial, operational/procedural efficiency, etc.); and technological innovation	40%

Figure 17 - Correlation between performance and payout - 2020 Chief Executive Officer STI

Objectives	% Payout MIN	% Payout TGT (a)	% Payout MAX	Performance	% Bonus (b)	% Payout adjusted (a)*(b)	
Economic/ Financial Targets Weight 60%	Revenue	15%	30%	42%	100%	100%	30%
	Book to Bill	7.5%	15%	21%	150%	140%	21%
	EBITDA Margin	7.5%	15%	21%	78%	0%	0%
Progetto Italia Weight 40%	20%	40%	56%	120%	140%	56%	
	50%	100%	140%	112% <i>Weighted Performance</i>		107%	

The Board of Directors of 25 March 2021, based on the results for the 2020 financial year, ascertained the level of achievement of 2020 CEO STI targets by the Chief Executive Officer as 112% - as percentage deriving from the weighting, for the weights of the individual targets, of the performance reached for each objective - and, upon proposal of the CNC and the favourable opinion of the Board of Statutory Auditors, approved the disbursement

to the aforementioned Chief Executive Officer of a bonus of Euro 2,141,647 gross, calculated by linear interpolation for pre-set intervals.¹⁷

Given the personal interest in relation to the above, the Chief Executive Officer participated in the related Board discussion, however refrained from exercising the right to vote.

2020-2022 LTI variable component

The Chief Executive Officer is among the recipients of the 2020-2022 Long-term incentive plan, which makes provision for the payment of an incentive partly in monetary form (50%) and partly in the form of shares (50%), when predetermined targets are exceeded (paragraph 3.2). Any incentive accrued will be paid at the end of the three-year *performance* period and subject, for 50%, to deferment to the next year. The value of the total *target* assignment for the three-year period for the CEO is Euro 6,000,000¹⁸.

The discretionary, occasional and non-recurring bonus in favour of the Chief Executive Officer.

In relation to the extraordinary economic and market situation that occurred in 2020 due to the *COVID-19* pandemic, therefore, owing to the exceptional circumstances as indicated in the Policy for remuneration and compensation paid approved by the Board of Directors on 13 March 2020 (paragraph 3.3), and based on the extraordinary results that were achieved, as such to substantially impact the value and business volumes of the Company, as well as its profitability, given the relative objectives are not already included in those connected with the formalised short- and long-term variable components, which include the following specifically (i) the notable increase in shareholders' equity (+47% compared to 2019), (ii) the positive effects on the total *backlog* (an increase of 13% compared to 2019), (iii) the improvement in the financial position (+28% compared to 2019), (iv) the positive *performance* of the Webuild share, also with respect to *competitors*, (v) guaranteed employment and salary continuity for the whole of 2020, without the use of social shock absorbers as regards the employees in the Rome and Milan offices, as well as (vi) the completion of the strategic projects and/or those of national relevance (San Giorgio Bridge), all extraordinary initiatives which, on the whole, have contributed to the relaunch of the infrastructure sector, the CNC proposed to the Board of Directors, with the favourable opinion of the Board of Statutory Auditors, to resolve the disbursement of a discretionary, occasional and non-recurring bonus to the Chief Executive Officer equal to 140% of the CEO Fixed Component, for a gross amount of Euro 2,800,000. The Chief Executive Officer, at the meeting of the Board of Directors, expressed its desire to waive the allocation of a part of said bonus, amounting to Euro 1,028,359, and invited the Board of Directors to allocate same sum to initiatives to be identified, in support of young people and skills (e.g. study grants, start-up loans and projects by young entrepreneurs, to also be established in memory of the Chairman of the Board of Directors, Alberto Giovannini, who passed away prematurely). In consideration of said request, the Board of Directors - with the abstention of the Chief Executive Officer and the favourable opinion of the Board of Statutory Auditors - resolved to pay a gross amount of Euro 1,771,641, equal to 88.58% of the CEO Fixed Component, according to the following methods and time frames: (i) first tranche of 50% in March 2021, (ii) second *tranche* of 50% in March 2022.

Benefits

Forms of insurance coverage and welfare benefits have been paid to the Chief Executive Officer as per the attached Section II, Table 1.

Payment in the event of termination of office

There are no specific termination benefits for the Chief Executive Officer in office or agreements which provide for compensation if the term of office ends prematurely.

5.4. Fixed and variable remuneration components for General Managers and KMP.

Fixed remuneration components for General Managers and KMP.

Fixed components of the remuneration recognised, with regard to 2020, to General Managers and KMP were the following:

- General Manager Corporate & Finance, Massimo Ferrari: Euro 750,000 as gross annual fixed remuneration, Euro 50,000 as fixed compensation for the functions of Manager in Charge of Financial Reporting, for a total of Euro 800,000 gross;

¹⁷ The 2020 CEO STI envisaged the right to receive the related bonus based on results achieved and valued according to a variable performance scale from a minimum of 80% (*Minimum Performance*) to a maximum of 120% (*Maximum Performance*), with the corresponding payment of a variable amount from 50% to 140% of the CEO Fixed Component, computed by linear interpolation.

¹⁸ At the date of drafting of this Report, the beneficiaries had still not been identified and the *target* bonus relating to the 2020-2022 LTI Plan had still not been assigned.

- General Manager Global Operations, Claudio Lautizi: Euro 601,808 in the form of gross annual fixed remuneration;
- Key Management Personnel: total of Euro 2,012,031 in the form of gross annual fixed remuneration.

The 2020 STI variable component of General Managers and KMP

With regard to the 2020 STI variable component of the remuneration, whose value on attainment of the targets is equal to respective percentage of the fixed component of remuneration allocated based on the role (100%, 50% or 30%), was based on achievement of the following results, each of them with a variable weight depending on the relevant department:

	2020 KMP STI Parameters ¹⁹	Weight
Economic/Financial Targets	Revenue	20%
	Book to Bill	10%
	EBITDA Margin	10%
Progetto Italia Targets	Implementation of activities, actions and processes related, as part of the strategic priorities determined for each individual year, to initiatives of: acquisition and/or integration; integration and/or turnaround of acquired companies (e.g. commercial, operational/procedural efficiency, etc.); and technological innovation	40%
Management Goals	Specific management goals (<i>Leadership</i> development in <i>Safety</i> and resources through <i>Academy</i> , initiatives on diversity, effective/efficient management of the bid process, <i>Performance Dialogue</i> , etc.)	10%
Individual Goals	Adherence to the <i>Leadership</i> Model and contribution to <i>Change Management</i>	10%

Figure 18 - Correlation between performance and payout 2020 General Manager Corporate & Finance STI

Objectives	% Payout MIN	% Payout TGT (a)	% Payout MAX	Performance	% Bonus (b)	% Payout adjusted (a)*(b)
Economic/ Financial Targets Weight 40%	Revenue	10%	20%	28%	100%	20%
	Book to Bill	5%	10%	14%	150%	14%
	EBITDA Margin	5%	10%	14%	78%	0%
Progetto Italia Weight 40%	20%	40%	56%	120%	140%	56%
Management Goals Weight 10%	5%	10%	14%	120%	140%	14%
Individual Goals Weight 10%	5%	10%	14%	120%	140%	14%
	50%	100%	140%	115% <i>Weighted Performance</i>		118%

¹⁹ The Chief Financial Officer & Group Risk Officer and the Internal Audit & Compliance Director are the recipients of the 2020 STI Plan, with targets, indexed scale of achievement of targets and a payout curve similar to that described for KMP, excluding only the economic/financial targets and with a specific breakdown of Management Goals and Individual Goals, each weighing 50% of the Total STI, in line with the assigned duties.

Figure 19 - Correlation between performance and payout 2020 General Manager Global Operations STI

Objectives		% Payout MIN	% Payout TGT (a)	% Payout MAX	Performance	% Bonus (b)	% Payout adjusted (a)*(b)
Economic/ Financial Targets Weight 40%	Revenue	10%	20%	28%	100%	100%	20%
	Book to Bill	5%	10%	14%	150%	140%	14%
	EBITDA Margin	5%	10%	14%	78%	0%	0%
Progetto Italia Weight 40%		20%	40%	56%	120%	140%	56%
Management Goals Weight 10%		5%	10%	14%	120%	140%	14%
Individual Goals Weight 10%		5%	10%	14%	120%	140%	14%
		50%	100%	140%	115% Weighted Performance		118%

The Board of Directors of 25 March 2021, based on the results for the 2020 financial year, upon the proposal by the Chief Executive Officer – who reported his own assessments on the performance of the General Managers and KMP during the CNC meeting of 25 February 2021 - and with the favourable opinion of the CNC and Board of Statutory Auditors - the latter in relation to the consistency of the determinations of the Board of Directors with respect to the 2020 Policy - ascertained the level of achievement of 2020 KMP STI targets at (i) 115% for the General Manager Corporate & Finance, (ii) 115% for the General Manager Global Operations and (iii) in a variable measure between 113% and 120%²⁰ for the KMP - as the percentage deriving from the weighting, for the weights of the individual targets, of the performance recorded for each objective - and resolved to approve the recognition of an Accrued Bonus for General Managers and KMP equal to a percentage of the payout of (i) 118% for the General Manager Corporate & Finance, (ii) 118% for the General Manager Global Operations and (iii) a variable percentage between 114% and 140%, calculated by linear interpolation for pre-determined intervals, according to the following (as well as in the attached Table 3.B):

- General Manager Corporate & Finance, Massimo Ferrari: Euro 944,439 gross;
- General Manager Global Operations Claudio Lautizi: Euro 710,463 gross;
- Key Management Personnel: Euro 1,412,492 total gross²¹.

The 2020-2022 LTI variable component of General Managers and KMP

The General Managers and the Key Management Personnel are among the recipients of the 2020-2022 Long-term incentive plan, which makes provision for the payment of an incentive partly in monetary form (50%) and partly in the form of shares (50%), when predetermined targets are exceeded (see paragraph 3.2). Any incentive accrued will be paid at the end of the three-year *performance* period and subject, for 50%, to deferment to the next year. The value of the total *target*²² assignment is as follows:

²⁰Percentage derived from each target's weight, based on the performance achieved for each target.

²¹The value is calculated on a pro-rata basis, as regards newly appointed KMP, considering the period running between 11 March 2020 and 31 December 2020.

²²At the date of drafting of this Report, the *target* bonus relating to the 2020-2022 LTI Plan had still not been assigned

- General Manager Corporate & Finance, Massimo Ferrari: Euro 2,400,000 gross;
- General Manager Global Operations Claudio Lautizi: Euro 1,805,424 gross;
- Key Management Personnel: Euro 3,742,500 total gross²³.

Discretionary, occasional and non-recurring bonus of General Manager Corporate & Finance and General Manager Global Operations

As indicated in the Policy for remuneration and paid compensation approved by the Board of Directors on 13 March 2020 - paragraph 3.3. - the Board of Directors of 25 March 2021, in relation to the proposal formulated by the Chief Executive Officer Pietro Salini for the General Managers Massimo Ferrari and Claudio Lautizi, with the favourable opinion of the Compensation and Nominating Committee and the Board of Statutory Auditors, resolved to pay a discretionary, occasional and non-recurring bonus equal to 140% of the Fixed Component in favour of the General Manager Corporate & Finance for a gross amount of Euro 1,120,000 and in favour of the General Manager Global Operations for a gross amount of Euro 842,531, with the following methods and time frames: (i) first *tranche* of 50%, in March 2021, (ii) second *tranche* of 50% in March 2022.

Benefits

The forms of insurance coverage and welfare benefits reported in the attached Section II, Table 1 have been paid to General Managers and KMP.

Payment in case of termination of employment

Following the exit of two Company KMP in 2020, the amounts relating to the voluntary redundancy incentive and the relevant settlements were paid for a total of Euro 2,881,000 gross.

5.5. Remuneration paid in 2020

Table 1: Remuneration paid to Members of the Board of Directors and the Board of Statutory Auditors, General Managers and KMP.

Table 3.B: Monetary incentive plans in favour of the members of the Board of Directors, of the General Managers and Key Management Personnel.

5.6. Equity investments of members of the Board of Directors and the Board of Statutory Auditors, General Managers and KMP

Table 4.1: Equity investments of members of the Administration and Control Bodies and of General Managers

Table 4.2: Equity investments of KMP

²³ At the date of drafting of this Report, the beneficiaries had still not been identified and the *target* bonus relating to the 2020-2022 LTI Plan had still not been assigned.

Table 1: Remuneration paid to the members of the Administration and Control Bodies, General Managers and KMP

(Values expressed in Euro)

Surname and name	Office	Period for which office was held	Office expiry	Fixed compensation		Compensation for participation in committees		Non-equity variable compensation		Non-monetary benefits	Other remuneration	Total	Fair value of equity compensation	Indemnity for termination of employment or office ⁽⁶⁾
								Bonuses and other incentives	Profit-sharing					
Donato Iacovone	Chairperson	1/1/2020 - 31/12/2020	(*)	remuneration received for performing specific duties	400,000					4,313		404,313		
Greco Nicola	Vice Chairman	1/1/2020 - 31/12/2020	(*)	remuneration for the year approved by Shareholders' Meeting remuneration received for performing specific duties	60,000 100,000	Compensation and Nominating Committee remuneration Control, Risks and Sustainability Committee remuneration strategic committee remuneration (5)	20,000 45,000 26,712			4,313		256,025		
Salini Pietro	Chief Executive Officer	1/1/2020 - 31/12/2020	(*)	remuneration for the year approved by Shareholders' Meeting remuneration received for performing specific duties Fixed employment salary	60,000 1,350,000 650,000	strategic committee remuneration (5)	26,712	3,913,288		143,660		6,143,660		
Balzani Francesca	Director	1/1/2020 - 31/12/2020	(*)	remuneration for the year approved by Shareholders' Meeting	60,000	Control, Risks and Sustainability Committee remuneration strategic committee remuneration (5)	45,000 26,712			4,313		136,025		
Capaldo Giuseppina	Director	1/1/2020 - 31/12/2020	(*)	remuneration for the year approved by Shareholders' Meeting	60,000	Related Party Transaction Committee remuneration	10,000			4,313		74,313		
Cattaneo Mario Giuseppe	Director	1/1/2020 - 31/12/2020	(*)	remuneration for the year approved by Shareholders' Meeting	60,000	Control, Risks and Sustainability Committee remuneration	60,000			4,313		124,313		
Cera Roberto	Director	1/1/2020 - 31/12/2020	(*)	remuneration for the year approved by Shareholders' Meeting	60,000					4,313		64,313		
Di Stefano Pierpaolo	Director	1/1/2020 - 31/12/2020	(*)	remuneration for the year approved by Shareholders' Meeting	60,000	strategic committee remuneration (5)	42,740			4,313		107,053		
Marazzita Giuseppe	Director	1/1/2020 - 31/12/2020	(*)	remuneration for the year approved by Shareholders' Meeting	60,000	Compensation and Nominating Committee remuneration Related Party Transaction Committee remuneration	20,000 14,727			4,313		99,040		
Natale Marina	Director	1/1/2020 - 31/12/2020	(*)	remuneration for the year approved by Shareholders' Meeting	60,000	Control, Risks and Sustainability Committee remuneration strategic committee remuneration (5)	45,000 26,712			4,313		136,025		
Parente Ferdinando	Director	1/1/2020 - 31/12/2020	(*)	remuneration for the year approved by Shareholders' Meeting	60,000	Compensation and Nominating Committee remuneration Control, Risks and Sustainability Committee remuneration Related Party Transaction Committee remuneration	35,000 45,000 10,861			4,313		155,174		
Passacantando Franco	Director	1/1/2020 - 31/12/2020	(*)	remuneration for the year approved by Shareholders' Meeting	60,000	Control, Risks and Sustainability Committee remuneration	45,000			4,313		109,313		

Surname and name	Office	Period for which office was held	Office expiry	Fixed compensation		Compensation for participation in committees		Non-equity variable compensation		Non-monetary benefits	Other remuneration	Total	Fair value of equity compensation	Indemnity for termination of employment or office ⁽⁶⁾
								Bonuses and other incentives	Profit-sharing					
Pucci di Barsento Laudomia	Director	1/1/2020 - 31/12/2020	(*)	remuneration for the year approved by Shareholders' Meeting	60,000					4,313		64,313		
Salini Alessandro	Director	1/1/2020 - 31/12/2020	(*)	remuneration for the year approved by Shareholders' Meeting	60,000					4,313		64,313		
Volo Grazia	Director	1/1/2020 - 31/12/2020	(*)	remuneration for the year approved by Shareholders' Meeting	60,000					4,313		64,313		
Sarubbi Giacinto	Chairman of the Board of Statutory Auditors	1/1/2020 - 31/12/2020	(***)	remuneration for the year approved by Shareholders' Meeting	133,534							133,534		
Trotter Alessandro	Statutory Auditor	1/1/2020 - 04/05/2020	(**)	remuneration for the year approved by Shareholders' Meeting	27,000							27,000		
Naddeo Teresa	Statutory Auditor	1/1/2020 - 04/05/2020	(**)	remuneration for the year approved by Shareholders' Meeting	27,000							27,000		
Cassader Roberto	Statutory Auditor	4/5/2020 - 31/12/2020	(***)	remuneration for the year approved by Shareholders' Meeting	52,822							52,822		
Simonelli Paola	Statutory Auditor	4/5/2020 - 31/12/2020	(***)	remuneration for the year approved by Shareholders' Meeting	52,822							52,822		
Lautizi Claudio	General Manager Global Operations	1/1/2020 - 31/12/2020		Fixed employment salary	601,808			1,552,993				2,154,801		
Ferrari Massimo	General Manager Corporate & Finance and Manager in Charge of Financial Reporting	1/1/2020 - 31/12/2020		Fixed employment salary	750,000			2,064,439		40,194		2,904,633		
				remuneration paid as Manager in Charge of Financial Reporting	50,000									
Key Management Personnel ⁽¹⁾		1/1/2020 - 31/12/2020		Fixed employment salary (2)	2,012,031			1,412,492		69,068	175,000 ⁽³⁾	3,713,091		2,881,000
				Other payments (4)	44,500									
Total					7,091,517		545,176	8,943,212	0	313,304	175,000	17,068,209	0	2,881,000

(*) In office until the Shareholders' Meeting called to approve the financial statements as at 31 December 2020.

(**) In office until the Shareholders' Meeting called to approve the financial statements as at 31 December 2019 (4 May 2020).

(***) In office until approval of the financial statements as at 31 December 2022.

(1) In calculating the KMP, the two outgoing KMP in 2020 and the three new KMP appointed in 2020 were considered for succession. For the variable STI, the value is calculated on a *pro-rata* basis, as regards newly appointed KMP, considering the period between 11 March 2020 and 31 December 2020.

(2) In addition to Euro 2,012,000 for annual gross remuneration, indemnities are due for domestic and foreign travel, pursuant to the Managers' CCNL and the Company's policies, for a total amount of Euro 6.8 thousand.

(3) Value accrued in 2020 for a 5-year stability agreement entered with a member of Key Management Personnel

(4) Lodging/fuel contribution

(5) Compensation approved on 6 February 2020, including the accrual from 6 to 31 December 2019, amount established retroactively until the date of creation of the committee.

(6) The amount relates to the voluntary redundancy incentive and relevant settlements for the two members of KMP who left in 2020.

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

Surname and name	Office	Plan	Bonus for the year			Previous years' bonus			Other bonuses (Euro)
			Payable/Paid (Euro)	Deferred (euro)	Deferment period	No longer payable	Paid/Payable	Still deferred	
Salini Pietro	Chief Executive Officer	2020 Short Term Incentive Plan (BoD approval on 13 March 2020)	2,141,647						
		2020 Extraordinary Bonus (1) (BoD approval on 25 March 2021)		885,820	2022				885,820
		Long-Term Incentive Plan 2018-2019 (BoD approval on March 23 2018)					1,324,640		
Lautizi Claudio	General Manager Global Operations	2020 Short Term Incentive Plan (BoD approval on 13 March 2020)	710,463						
		2020 Extraordinary Bonus (1) (BoD approval on 25 March 2021)		421,265	2022				421,265
		Long-Term Incentive Plan 2018-2019 (BoD approval on 23 March 2018)					913,178		
Ferrari Massimo	General Manager Corporate & Finance and Manager in Charge of Financial Reporting	2020 Short Term Incentive Plan (BoD approval on 13 March 2020)	944,439						
		Extraordinary Bonus 2018-2019 (BoD approval on 19 December 2018)					1,120,000		
		2020 Extraordinary Bonus (1) (BoD approval on 25 March 2021)		560,000	2022				560,000
		Long-Term Incentive Plan 2018-2019 (BoD approval on 23 March 2018)					1,213,914		
Other Key Management Personnel	no. 5	2020 Short Term Incentive Plan (BoD approval on 13 March 2020)	1,412,492						
		Long-Term Incentive Plan 2018-2019 (BoD approval on 23 March 2018)					2,141,349		
Total			5,209,041	1,867,085			6,713,081		1,867,085

Notes

(1) 50% of the amount paid *up-front* in 2021, while the remaining 50% of the *bonus* is deferred to 2022

Equity investments of members of the Administration and Control Bodies and of General Managers

Surname and Name	OFFICE	Investee company	No. of shares owned at end of 2019	No. of shares purchased during 2020	No. shares sold in the year 2020	No. of shares owned at end of 2020
BOARD OF DIRECTORS CURRENTLY IN OFFICE						
Iacovone Donato	Chairperson	Webuild	0	0	0	0
Greco Nicola	Vice Chairman	Webuild	0	0	0	0
Salini Pietro	Chief Executive Officer	Webuild	1,984,658	0	0	1,984,658
Balzani Francesca	Director	Webuild	0	0	0	0
Capaldo Giuseppina	Director	Webuild	0	0	0	0
Cattaneo Mario Giuseppe	Director	Webuild	0	0	0	0
Cera Roberto	Director	Webuild	0	0	0	0
Di Stefano Pierpaolo	Director	Webuild	0	0	0	0
Marazzita Giuseppe	Director	Webuild	0	0	0	0
Natale Marina	Director	Webuild	0	0	0	0
Parente Ferdinando	Director	Webuild	0	0	0	0
Passacantando Franco	Director	Webuild	0	0	0	0
Pucci Laudomia	Director	Webuild	0	0	0	0
Salini Alessandro	Director	Webuild	244,287	0	0	244,287
Volo Grazia	Director	Webuild	0	0	0	0
BOARD OF STATUTORY AUDITORS IN OFFICE FROM 4 MAY 2020						
Sarubbi Giacinto	Chairman Board Statutory Auditors Statutory auditor	Webuild	0	0	0	0
Cassader Roberto	Statutory auditor	Webuild	0	0	0	0
Simonelli Paola	Statutory auditor	Webuild	0	0	0	0
STATUTORY AUDITORS WHO LEFT OFFICE ON 4 MAY 2020						
Trotter Alessandro	Statutory auditor	Webuild	0	0	0	0
Naddeo Teresa	Statutory auditor	Webuild	0	0	0	0
GENERAL MANAGERS						
Ferrari Massimo	General Manager	Webuild	653,576*	150,000	0	803,576*
Lautizi Claudio	General Manager	Webuild	296,185*	0	0	296,185*

* Including Webuild shares assigned free of charge by Salini Costruttori S.p.A., as indicated in the press release of 12 January 2015.

Table 4.2: Participation of the other Key Management Personnel

No. of other KMP in office at 12.31.2020	Investee company	No. of shares owned at end of 2019	No. of shares purchased during 2020	No. of shares sold during 2020	No. of shares owned at end of 2020
2	Webuild	97,798	0	0	97,798

No. of other KMP appointed in 2020	Investee company	No. of shares owned at end of 2019	No. of shares purchased during 2020	No. of shares sold during 2020	No. of shares owned at end of 2020
3	Webuild	-	-	-	26,032

No. of other KMP who left office in 2020	Investee company	No. of shares owned at end of 2019	No. of shares purchased during 2020	No. of shares sold during 2020	No. of shares owned at end of office
2	Webuild	12,572*	0	0	12,572*

* Including Webuild shares assigned free of charge by Salini Costruttori S.p.A., as indicated in the press release of 12 January 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 2020-2022 LTI Plan or Beneficiaries	employees and/or Directors vested with specific duties in the Company and its subsidiaries, identified from the ranks of key management personnel from the perspective of value creation
Accrued Bonus	the amount of the <i>bonus</i> determined by achieving the targets of the 2020-2022 LTI Plan
Target Bonus	<i>the bonus</i> due to each Beneficiary of the 2020-2022 LTI Plan for 100% achievement of the 2020-2022 Plan targets
Code of Corporate Governance	the Corporate Governance Code for listed companies established by the Corporate Governance Committee promoted by Borsa Italiana S.p.A. (January 2020 Edition)
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 duties as manager and payments due pursuant to art. 2389, paragraph 3 of the Italian Civil Code received for duties as Chief Executive Officer.
Board of Directors	the Company's acting Board of Directors
Subsidiaries	without distinction, each company directly or indirectly owned by the Company at a given time, pursuant to art. 2359 of the Italian Civil Code,
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 12 March 2010, as identified from time to time by the responsible bodies
Group	the Company and its subsidiaries
KPIs	<i>Key Performance Indicators</i>
Leadership in Safety	a program for the development of <i>Leadership in Safety</i> which uses the intellectual, experiential and emotional resources of people for the purpose of achieving a strong cultural change with regard to safety
LTI	<i>Long Term Incentive, i.e. the long-term variable component</i>
LTIFR	<i>Lost Time Injury Frequency Rate</i>
2020-2022 LTI Plan Targets	the (i) economic-financial objectives identified as Gross Debt on EBITDA (with weight of 25%), <i>TSR</i> (with weight of 25%) and <i>Overheads on revenues</i> (with weight of 30%); (ii) objectives connected with risk and sustainability, identified as <i>Lost Time Injury Frequency Rate</i> (with weight of 10%) and Reduction in intensity of greenhouse gas emissions (with weight of 10%),, based on achievement of which the Beneficiaries of the 2020/2022 LTI Plan will have the right to receive the <i>Accrued Bonus</i>

Vesting Period	in relation to the 2020-2022 LTI Plan, the period which starts on 1 January 2020, and ends at the date of approval of the consolidated financial statements as at 31 December 2022
'Change Management' Plan	redesign of the organisation processes and definition of a Succession Planning process for key/critical positions
Long Term Incentive Plan or 2020-2022 LTI Plan	the incentive plan related to the Company's new Business Plan. This refers to the closed, long-term incentive plan with a 2020-2022 three-year Vesting Period
2021 Remuneration Policy	the Webuild Remuneration Policy for 2021 approved by the Board of Directors meeting of 25 March 2021
Target Bonus	the bonus earned if 100% of targets are achieved
RPT Procedure	Related Party Transaction Procedure, adopted by the Company on 30 November 2010 and subsequently amended, most recently on 29 July 2020, and available on the Company's website (www.webuildgroup.com , "Governance/Procedures and Regulations" section)
Progetto Italia	the industrial project, whose strategic guidelines are part of the Company's broader Business Plan for the 2019-2021 three-year period, which aims to strengthen Webuild and is to be carried out through the acquisition and subsequent integration within the Company of other Italian companies operating in the construction sector for complex infrastructure projects
GAS	indicates the gross fixed annual remuneration for employees of a Group Company
Issuers' Regulation	the regulation implementing the Consolidated Finance Act (TUF) with respect to the discipline of issuers adopted by Consob with resolution no. 11971 of 14 May 1999, as subsequently amended and integrated - updated with the amendments made by resolution no. 21623 of 10 December 2020
2020 Governance Report	Report on the Corporate Governance and Ownership Structure in relation to 2020, published on the Company's website (www.webuildgroup.com , "Governance/Governance System/Corporate Governance Report" section)
STI	Short-Term Incentive, i.e. the short-term variable component
2020 STI	the STI relative to 2020
2020 CEO STI	the 2020 STI for the Chief Executive Officer
2020 KMP STI	the 2020 STI for General Managers and KMP
2021 STI	the STI relative to 2021, consistent with the key performance indicators of the Business Plan and Progetto Italia
2021 CEO STI	the 2021 STI for the Chief Executive Officer
2021 KMP STI	the 2021 STI for General Managers and KMP
Company or Webuild	Webuild S.p.A.
Consolidated Finance Act/TUF	Italian Legislative Decree no. 58 of 24 February 1998 (and subsequent amendments)
TSR	<i>Total Shareholder Return</i>

Webuild S.p.A.

www.webuildgroup.com

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Project coordination

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