

2015 Remuneration Report

**Approved by the Board of Directors
of March 19, 2015**

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OVERVIEW

With the merger of Salini S.p.A. into Impregilo S.p.A., effective January 1, 2014, the *Campione Nazionale*[®] project was finalized. This project aims to create a global leader with the expertise, skills, track record and dimensions necessary to compete in the global construction industry through more efficient and effective business management.

Salini Impregilo is an industrial group specialising in the construction of major, complex projects, a dynamic Italian company able to compete with leading global players.

The global context in which Salini Impregilo operates is characterized by a particularly complex business environment. The Management of Salini Impregilo, which must act in accordance with environmental, ethical and professional principles in compliance with the highest international criteria for corporate governance and citizenship, must be comprised of people with industry-specific professional qualifications, not readily available in the market.

The 2015 Remuneration Policies of Salini Impregilo, defined in accordance with the fundamental principles of fairness, transparency, meritocracy and sustainability, aim to attract, motivate and retain people that have the technical and professional qualities required to successfully pursue the targets of Salini Impregilo, concerning not only the current but also the future dimensions and complexity of a company that has already announced to the market the challenging targets it has set until 2017.

The 2015 Remuneration Policies were established with the assistance of a firm specialising in Executive Compensation, on the basis of international benchmarks and taking into account the outcome of the shareholder voting results on the 2014 Remuneration Policies.

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The most important changes to the 2015 Remuneration Policies compared to the 2014 Policies include:

- the definition, for Key Management Personnel and other managers and key people of the Group, of a Long Term Incentive Plan – called the "2015-2017 Performance Shares Plan – structured in a mixed cash and performance share format, including a retention clause, in order to (i) align the interests of management with those to create shareholder value (ii) motivate and retain within the Group strategic employees that are difficult to hire on the market. This plan, to be adopted after approval by the shareholders at their meeting scheduled for April 30, 2015, has been designed for managers who, due to their position or experience, play a key role in achieving the corporate objectives, in order to encourage them to enhance Group value and at the same time create an instrument that will motivate them to remain loyal to the Group.

In addition to the foregoing, subject to approval by the shareholders at their meeting to be held on April 30, 2015, of the 2015-2017 Performance Share Plan proposed by the Board of Directors, the CEO is expected to be included, effective on January 1, 2015, as a potential beneficiary of the 2015-2017 LTI Plan in a mixed cash/performance share format (see paragraph 1.4.4.2. for details), with the recognition of cash and a number of performance shares calculated on a pro-quota basis, in reference to 2016 and 2017 only **(2015-2017 LTI Target)**. All of this, in order to fully align the long term targets among all Key Management Personnel in the Company, while not changing the previously approved

comprehensive retribution package and to benefit the coherence and effectiveness of the entire long term incentive plan.

- the provision of clawback clauses which will permit the Issuer to reclaim, in whole or in part, variable components of remuneration that were awarded to persons who, whether intentionally or through gross negligence, have altered the data used to achieve the objectives or have reached the same through actions that are in violation of the provisions of law or the contract.

The total remuneration of the CEO and other key management personnel consists of the theoretical remuneration mix (i.e. delivered on the 100% achievement of the targets to which the variable components are related):

- 1/3 as the fixed component;
- 1/3 as the short-term variable component (short-term incentive, "STI");
- 1/3 as the long-term variable component (long-term incentive, "LTI").

It should be noted that, furthermore, as regards the variable compensation system for managers and key people of the Group, it is aligned to the corporate logic and targets of Key Management Personnel and also involves the definition of STI parameters that are also closely linked to the indicators related to health, safety and the environment.

Table 1 provides an overview of the 2015 Salini Impregilo Remuneration Policies for the CEO and other Key Management Personnel. Please consult the relevant sections in this Report for further details.

This Report has been made available to the public, in accordance with the time limits set by law, at the Registered Office and on the Company website www.salini-impregilo.com, in the Governance and Investor Relations section, so that it can be examined at the Shareholders' Meeting called to approve the 2014 Financial Statements and to formulate an opinion, through a non-binding resolution, on the first section of the Report, in accordance with current regulations.

Table 1. 2015 Remuneration Policies

Members	Chief Executive Officer (CEO)	Other Key Management Personnel
Fixed	€2,000,000 gross annual (unchanged from 2014)	Gross Annual Salary (GAS) – determined on the basis of functions and responsibilities.
STI Variable	Group Targets <ul style="list-style-type: none"> • EBITDA, with a 50% impact on determining the Target Bonus • Book-to-Bill, with a 25% impact on determining the Target Bonus • NFP, with a 25% impact on determining the Target Bonus 	
	N.T.D.	Business Unit targets: mainly focused on improving the efficiency and effectiveness of business processes.
	N.T.D.	Individual targets: mainly focused on leadership and the change management process.
	<ul style="list-style-type: none"> ✓ Disbursement: on the basis of the results achieved in the previous year and assessed according to a performance scale with the range varying from a minimum of 80% to a maximum of 120% (with a corresponding disbursement of a variable remuneration from 50% to 140%, respectively of the GAS). No bonus is awarded if performance is below the threshold of 80%. ✓ Clawback in case of breach of company or legal regulations or wilful misconduct or gross negligence in order to alter the data used to measure achievement of the targets. 	
LTI Variable	2013-2015 Three-year LTI plan <i>Indicators:</i> 2013-2015 cumulative revenues 2013 – 2015 average ROE	N.T.D.
	2015-2017 mixed cash/performance share LTI plan¹ <i>Indicators:</i> 2015-2017 cumulative revenues 2015- 2017 cumulative EBIT <ul style="list-style-type: none"> ✓ Opportunity: equivalent to 300% of the GAS, on a three-year basis. ✓ Disbursement: based on the results achieved in the third year of the plan ✓ Clawback in case of breach of company or legal regulations or wilful misconduct or gross negligence in order to alter the data used to measure achievement of the targets. ✓ Retention clause: (i) repayment of 50% of the net payout in case of voluntary resignation in the first year after the disbursement; (ii) repayment of 25% of the net payout in case of voluntary resignation in the second year after the disbursement. 	
Benefits	<ul style="list-style-type: none"> • Supplementary pension • Supplementary health care 	<ul style="list-style-type: none"> • Company car for private use • Housing

¹ For the CEO, the cash and performance share shall be recognised on a pro-quota basis for 2016 and 2017 only

INTRODUCTION

This Remuneration Report (the "**Report**") has been prepared in conformity with Article 123-ter of Italian Legislative Decree no. 58 of February 24, 1998, as subsequently amended and supplemented (the "**Consolidated Finance Act**" or the "**TUF**") and Article 84-quater of the Regulation adopted through Consob resolution no. 11971 of May 14, 1999, as subsequently amended and supplemented (the "**Issuers' Regulation**"), as well as in conformity with the recommendations of Article 6 of the Corporate Governance Code for listed companies of Borsa Italiana S.p.A. in the new edition of July 2014 (the "**Governance Code**").

The Report, approved by the Board of Directors on March 19, 2015, on the proposal of the Compensation and Nominating Committee, is divided into two sections.

Section I illustrates the policies of Salini Impregilo S.p.A. (the "**Company**" or the "**Issuer**") on remuneration (the "**Remuneration Policies**") for:

- a) the members of the Board of Directors, divided into the directors with specific duties (including executive directors) and non-executive directors of the Company;
- b) key management personnel of the Issuer ("**Key Management Personnel**").

Section I also provides details on the procedures used by the Company for the adoption and implementation of the Remuneration Policies and the parties involved in the process.

Section II contains the individual items which make up the remuneration of the members of the Board of Directors and the Board of Statutory Auditors and the Key Management Personnel of the Company. It also provides details on the compensation paid to these individuals by the Issuer in 2014, for any reason and in any form.

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In addition, this Report, pursuant to paragraph four of Article 84-quater of the Issuers' Regulation, contains dedicated tables with the data relating to the equity investments held by members of the Board of Directors and the Board of Statutory Auditors, as well as Key Management Personnel of the Company and in companies controlled by the latter.

Pursuant to the company Bylaws and according to legal requirements, directors remain in office up to a maximum of three financial years; accordingly, the term of office of the current Board of Directors appointed by the Shareholders' Meeting of July 17, 2012, will end on the date of the Shareholders' Meeting called for the approval of the Financial Statements as at December 31, 2014.

As far as the Key Management Personnel are concerned, the identification of this category of persons takes place in conformity with the definition contained in the Regulation adopted through Consob resolution no. 17221 of March 12, 2010, as subsequently amended and supplemented, concerning related-party transactions (the "**OPC Regulation**"); specifically, for the purpose of this Report, Key Management Personnel is understood to mean persons other than directors and auditors, who have the power and the responsibility, directly or indirectly, for the planning, management and control of Company activities, in accordance with the definition provided in Annex 1 of the OPC Regulation.

The Board of Directors identified the current Key Management Personnel on December 12, 2013, and December 17, 2014, (see § 1.4.4).

As regards the Remuneration Policies, it has been defined, in accordance with Article 123-ter of the TUF, in line with Article 84-quater and Annex 3A, Form 7-bis of the Issuers' Regulation, the recommendations of Article 6 of the Governance Code, as well as for the purposes of Article 11 c) of the Procedure for Related-Party Transactions adopted by the Company on 30 November 2010 and subsequently amended, most recently on December 17, 2014, and available on the Company website (www.salini-impregilo.com "Governance" section) (the "**OPC Procedure**").

The Remuneration Policies represents a fundamental instrument for consolidating and bringing together a strongly motivated management team in the pursuit of goals and ready to take on the new challenges and opportunities, in order to make the competitive positioning of the company even stronger.

Lastly, it is imperative to stress how the Remuneration Policies illustrated in the Report should be specifically included within the framework of the current corporate, company, regulatory and legislative context (with specific reference to the existing accounting principles and their interpretation) and the economic scenario, with a view to a possible review in the light of any future changes.

1. SECTION I: POLICIES ON THE SUBJECT OF REMUNERATION FOR 2015

1.1. GOVERNANCE OF THE REMUNERATION PROCESS

1.1.1. The bodies and individuals involved

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

The Shareholders' Meeting of Impregilo S.p.A. held on July 17, 2012, approved the appointment for three years and therefore until the Shareholders' Meeting called to approve the financial statements as at December 31, 2014, of the Board of Directors currently in office, and initially composed of Claudio Costamagna (Chairman), Pietro Salini (CEO), Marina Brogi, Giuseppina Capaldo, Mario Cattaneo, Roberto Cera, Laura Cioli, Massimo Ferrari, Alberto Giovannini, Pietro Guindani, Claudio Lautizi, Geert Linnebank, Laudomia Pucci, Giorgio Rossi Cairo and Simon Pietro Salini.

The Shareholders' Meeting of Impregilo S.p.A. held on September 12, 2013, to replace the outgoing directors Giorgio Rossi Cairo (independent director, no longer in office from July 9, 2013), Claudio Lautizi and Massimo Ferrari (directors who were members of the Executive Committee, no longer in office August 5, 2013), appointed Nicola Greco, Giacomo Marazzi and Franco Passacantando (the latter with effect from December 15, 2013) as members of the Board of Directors.

On September 25, 2014, Simon Pietro Salini, non-independent and non-executive Director submitted his resignation, thus the Board of Directors is currently composed as follows:

Board of Directors	
Chairman	Claudio Costamagna
Chief Executive Officer	Pietro Salini
Directors	Marina Brogi
	Giuseppina Capaldo
	Mario Giuseppe Cattaneo
	Roberto Cera
	Laura Cioli
	Alberto Giovannini
	Nicola Greco
	Pietro Guindani
	Geert Linnebank
	Giacomo Marazzi
	Franco Passacantando
	Laudomia Pucci

As mentioned above, the term of the Board of Directors currently in office will expire with the approval of the financial statements as at December 31, 2014.

With regard to remuneration, the Board of Directors is responsible for approving the Remuneration Policies and presenting it to the Shareholders' Meeting, the Board of Directors. It is also responsible for the:

- i. distribution of the total remuneration for the directors determined by the

- Shareholders' Meeting, pursuant to Article 2389, paragraph I of the Italian Civil Code, unless the Shareholders' Meeting has not already done so;
- ii. determination of the remuneration due to the CEO and to the directors vested with specific duties, in its various components, and also, specifically, to the members of the various committees appointed under the scope of the Board of Directors, pursuant to Article 2389, paragraph 3 of the Italian Civil Code;
 - iii. internal composition of the remuneration committee, in addition to the definition of the related responsibilities, in conformity with the recommendations of the Corporate Governance Code;
 - iv. determination of remuneration on an annual basis, of the incentives (annual and long-term), for Key Management Personnel.

Some of the above powers can be delegated by the Board of Directors.

1.1.2. **Specifically: the Compensation and Nominating committee**

1.1.2.1. *Composition*

The Board of Directors, pursuant to Article 123-bis, paragraph 2, d) of the TUF, established a remuneration committee in March 2000 for the first time from within its composition.

Through the resolution of July 18, 2012, the Board of Directors supplemented the powers of said committee with consulting functions on the appointment of directors pursuant to Article 5 of the Corporate Governance Code and, as a result, this body took on the name Compensation and Nominating Committee (the "CNC").

The Board of Directors, at their meeting held on July 18, 2012, appointed the following non-executive directors as members of the CNC: Marina Brogi, as Chairperson, Geert Linnebank and Laudomia Pucci. In addition, director Nicola Greco was appointed as a member of the CNC by the Board of Directors on September 12, 2013.

The CNC is therefore currently composed, in line with the most recent recommendations of the Corporate Code of Governance, of the following independent non-executive directors:

Compensation and Nominating committee	
Chairperson	Marina Brogi
Member	Nicola Greco
Member	Geert Linnebank
Member	Laudomia Pucci

At the time of the appointment of each member of the CNC, the Board of Directors has verified that they have adequate proficiency and experience on financial matters and remuneration policies.

The *curriculum vitae et studiorum* of each member of the CNC is available on the Company website at www.salini-impregilo.com.

1.1.2.2. *Functions*

In line with the provisions of the Corporate Governance Code and Italian Legislative Decree 259/2010, the CNC carries out advisory and proposal-making activities and, specifically (with regard to remuneration):

- i. submits the Remuneration Report for the approval of the Board of Directors and therefore, specifically, the Remuneration Policies of the directors and key management

- personnel, for presentation to the Shareholders' Meeting called for the approval of the financial statements for the year, under the terms laid down by law;
- ii. periodically evaluates the adequacy, overall consistency and concrete application of the remuneration policies for directors and key management personnel, using the information provided by the CEO for this purpose;
 - iii. formulates proposals or expresses opinions to the Board of Directors on the remuneration of executive directors and other directors who have specific duties as well as on the setting of performance targets related to the variable component of this remuneration;
 - iv. monitors the application of the decisions taken by the actual board verifying, in particular, the effective achievement of the performance targets.

1.1.2.3. *Operating procedures.*

In the meeting held on July 30, 2012, the CNC adopted its own internal regulation on the basis of which it convenes every time the Chairman deems it necessary, or upon request from a member of the committee or the Chairman of the Board of Statutory Auditors.

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 order to carry out its analysis and preliminary investigation functions, the CNC makes use of the competent structures of the Company and can also avail itself, also through said structures, of the support of external consultants who are not in situations that could interfere with their exercise of independent judgment. Specifically, the CNC makes use of the Legal and Corporate Departments, which assist the Committee in the organisation and management of meetings and the Human Resources & Organization Department, which prepares the preliminary support material for the definition of the remuneration policies and it strives to ensure the implementation and application of the decisions taken, as well as the Investor Relations area for aspects related to the market and investors.

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1.1.2.4. *Activities conducted in 2014.*

During the course of 2014, the CNC met a total of 8 times, with an average attendance rate of 97%.

The following activities related to the remuneration policies were carried out during 2014:

- (i) review of the results of shareholder votes on the 2014 Remuneration Policies;
- (ii) monitoring of the regulatory framework and the voting policies of the major proxy advisors and institutional investors;
- (iii) benchmark analysis of listed companies on an international scale, peers and comparables;
- (iv) definition of the Guidelines and the 2015 Remuneration Policies;
- (v) definition of a Long Term Incentive Plan for Key Management Personnel and other managers and key people;
- (vi) final assessment of the results relating to the variable incentive plans;
- (vii) preparation of the Remuneration Report.

Further information relating to the composition, operating rules and activities conducted by the CNC are available in the 2014 Report on Corporate Governance published on the website www.salini-impregilo.com.

1.1.3. The approval process of the 2015 Remuneration Policies

The definition of the Remuneration Policies is the result of a clear and transparent process in which the CNC and Board of Directors of the company play a key role. The policies are adopted and approved on an annual basis by the Board of Directors, on the proposal of the CNC and then submitted for a shareholder advisory vote at the Shareholders' Meeting.

The Board of Statutory Auditors expresses its opinion on the Remuneration Policies, 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 application of the Remuneration Policies.

The CNC met 3 times in 2015 until the date of approval of this Report. Specifically, the CNC defined the structure and the contents of the Remuneration Policies for the purpose of preparing this Report in the meetings held on March 3, 2015, March 11, 2015, and March 18, 2015, in line with the most recent recommendations of the Corporate Governance Code.

To ensure a correct assessment of the competitiveness and appropriateness, in relation to the target market, of the remuneration package offered to the Chief Executive Officer and other Key Management Personnel of Salini Impregilo, CNC, to support its decisions, engaged Mercer, an international consulting firm, after verifying that they met the independence requirements and that there were no reasons of incompatibility to prevent the engagement (hereinafter the "**Independent Expert**").

Assisted by the Independent Expert, a benchmark analysis was conducted on a panel of listed companies, composed of major Italian companies operating on an international level, also belonging to other sectors, and sector-specific foreign comparables.

The analysis was based on the data contained in the 2014 Annual Report (referring to 2013) and on 2014 data, obtained by the Independent Expert as part of an investigation into remuneration systems.

The CNC, in particular, took into account:

- the resolution of the Shareholders' Meeting held on July 17, 2012, concerning the remuneration of the Chairman of the Board of Directors and the Directors;
- the resolution of the board of July 30, 2012, concerning the remuneration of non-executive directors for participation in board committees;
- the board resolution of March 19, 2014, concerning the remuneration of the Chairman of the Board of Directors, the CEO;
- the board resolution of December 12, 2013, and December 17, 2014, concerning the identification of key management personnel;
- the board resolution of March 19, 2014, and December 17, 2014, concerning the remuneration of key management personnel;

- the approval, of March 19, 2014, of the 2014-2017 Business Plan, to which the targets for the LTI incentive system are linked;
- the 2014 guidance, disclosed to the market on March 19, 2014, and the approval, on April 15, 2014, of the 2014 Salini Impregilo budget to which the STI targets for the remuneration system for 2014 were linked;
- the Board resolution of March 19, 2015 which, on the basis of the data of the financial statements as at December 31, 2014, verified and approved the achievement, by the CEO and Key Management Personnel, of the 2014 STI targets. All of this, on the proposal of the Compensation and Nominating Committee and subject to certification, by the Internal Audit, of the correctness and consistency of the methods used to calculate the 2014 STI Bonus and on the correspondence to the official data documents used for the aforementioned calculation;
- the guidelines of the proxy advisors and main institutional investors.

The above activities were carried out following an assessment of the regulatory framework on the subject of remuneration and taking into account the practices observed in the preparation of the remuneration reports nationally and internationally.

The competent corporate departments then processed the necessary information for the CNC to propose the Remuneration Policies to the Board of Directors.

On March 18, 2015, the CNC, with the input of the corporate departments referred to in § 1.1.2.3 and the benchmark analysis conducted with the support of the Independent Expert, and following the outcome of the meetings held, defined, to the extent within its purview, the Guidelines for the 2015 Remuneration Policies for the CEO and Key Management Personnel (the "**Guidelines**"), as well as the Remuneration Policies, to be submitted to the Board of Directors.

The 2015 Guidelines and Remuneration Policies were therefore approved by the Board of Directors, on the proposal of the CNC, in the meeting held on March 19, 2015, concurrently with the approval of this Report. The implementation of the remuneration policies defined in line with the guidelines of the Board of Directors, was entrusted to the bodies especially designated for the purpose, with the support of the competent corporate departments.

1.2. GENERAL PURPOSES AND PRINCIPALS OF THE 2015 REMUNERATION POLICIES

1.2.1. The purposes of the 2015 Remuneration Policies

The Remuneration Policies are aimed at attracting and motivating qualified professional resources for the pursuit of the goals of the Company and the Group, as well as incentivising the continuity of these resources and therefore the stability of their employment relationship with the Company.

With a view to increasing the value of the Company in a sustainable way, the Remuneration Policies are aimed at aligning the interests of management, as far as possible, with those of shareholders in the medium to long-term.

Specifically, the Remuneration Policies that the Issuer proposes to adopt in 2015, in line with the remuneration programmes launched in 2014 for directors and key management personnel, responds to the need for the gradual and imperative transformation and migration from the remuneration systems traditionally used to those suggested by the most

recent best practice, always taking into account the specific nature of the reference sector, the activity carried out and the need to complete the corporate integration process following the Merger, the oversight of which requires the capacity to govern complex integrated businesses processes, aimed at the construction of large-scale infrastructural works which require highly specialist know-how in a variety of geographic and socio-cultural settings.

Specifically, it is important to stress the fact that the Company currently intends to continue to base its Remuneration Policies on obtaining a balance between the goal of adequately pursuing the aforementioned attraction, incentivisation, and retention objectives and the need to safeguard the Company's economic and financial balance and its sustainability over time.

The long-term variable components of remuneration and the related goals and reference parameters therefore take on particular importance, especially for executive roles and those which have a greater impact on company results, from a perspective of sustainability of results and the creation of value for shareholders in the medium to long-term.

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

1.2.2. The principles of the Remuneration Policies

The Remuneration Policies of Salini Impregilo S.p.A. is defined on the basis of the following principles:

- i. **fairness**, in terms of developing the knowledge and professional skills of individuals, as described in the Issuer's Code of Ethics as well as recognising the roles and responsibilities assigned, the results achieved and the quality of the professional contribution given
- ii. **proportionality**: in terms of consistency and correspondence of the remuneration with the role performed, the complexity of the tasks assigned and the related responsibilities, as well as the skills and abilities demonstrated, without prejudice to compliance with national collective agreements in force, where applicable; Specifically, as regards:
 - the Chief Executive Officer and other Key Management Personnel, the remuneration structure is properly balanced between (i) a fixed component, consistent with the powers and/or responsibilities assigned and (ii) a variable component defined within the maximum limits and which serves to fix the remuneration to the actual performance, with major weight given to the long-term variable component, in line with the long-term nature of the Issuer's business;
 - the non-executive Directors, 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 the company bodies and corporate departments;

- iii. **competitiveness**, in terms of essential balance of the remuneration levels in relation to those of the reference market for similar positions and roles with a similar level of responsibility and complexity, as analysed through a benchmark analysis conducted on a panel of Italian and European listed companies with the largest capitalisation, qualifying, by business sector and industrial complexity, in terms of peers of comparables;
- iv. **meritocracy**: in terms of consistent enhancement of the results obtained on the basis of the behaviour put in place for the achievement, necessarily directed towards constant compliance with existing regulations and procedures, by assessing the performance objectives assigned within the scope of the managers;
- v. **sustainability**: in terms of consistency of overall remuneration payments made with the primary requirements of maintaining the economic-financial equilibrium of the Company over a period of time;
- vi. **transparency**, in terms of:
 - recognition of the incentives linked with 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 abovementioned incentives;
 - the provision of clawback clauses which will permit the Issuer to reclaim, in whole or in part, variable components of remuneration paid to persons who, whether intentionally or through gross negligence, have altered the data used to achieve the objectives or have reached the same through actions that are in violation of the provisions of law or the contract.

1.2.3. **The 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 the remuneration was determined, already in the 2013 Remuneration Policies, taking into account a benchmark drawn from 37 FTSE MIB Italia companies, a panel of 18 middle capitalization companies (mid-caps) and a panel of 11 large foreign companies (peers) operating in the same sector as the Issuer.

This compensation structure was confirmed following the updating of the benchmark analysis conducted, with the assistance of the Independent Expert, on a panel of Italian and European listed companies with the largest capitalisation, qualifying, by business sector and industrial complexity, in terms of peers of comparables. In the interests of consistency and uniformity, this panel was used to assess the compensation of both the Chief Executive Officers and Key Management Personnel. The benchmark data sources were obtained from the 2014 Annual Report (data regarding 2013) and from information concerning 2014, obtained by the Independent Expert as part of an investigation into the remuneration system.

Specifically, in implementing these criteria, the overall economic payment of the CEO was determined according to the following remuneration mix (theoretical, in other words

delivered on the 100% achievement of all the targets to which the variable components are related):

- 1/3 as the fixed component;
- 1/3 as the short-term variable component (short-term incentive, "STI");
- 1/3 as the long-term variable component (long-term incentive, "LTI").

The remuneration system for other Key Management Personnel set out in the Guidelines is divided into three components, with the weight of the variable component on total compensation similar to that of the Chief Executive Officer. Considering the introduction of the long-term incentive plan, the weight of each element of the remuneration package (fixed remuneration, short-term incentive and long-term incentive) is 33% of the total amount.

As regards the managers of the control functions and the Head of Internal Audit, without prejudice to the principle of a greater percentage of the fixed component compared with the variable component of remuneration, the latter is exclusively linked to achieving the qualitative targets consistent with the functions carried out.

1.3. GUIDELINES OF THE 2015 REMUNERATION POLICIES

1.3.1. The fixed components of remuneration

In line with the recommendations of the Corporate Governance Code, the fixed component of remuneration is determined to an extent that sufficiently rewards the performance, even if the variable components have not been granted due to failure to meet the related targets.

The fixed component is established:

- for Directors vested with specific duties, with the resolution of the Board of Directors when they are appointed as an aggregate annual amount;
- for the rest of management, at the time they are hired, and may be periodically revised based on the performance, changes to the position with the assumption of new responsibilities, as well as on the basis of the related market salary trends or other possible factors.

The fixed remuneration of the CEO has been identified taking into account (as a reference) the remuneration for similar positions in the panel of peers and comparable companies, also taking due account of the professional characteristics and the performance of the CEO, as well as the availability profiles on the market for similar positions and business risk in the event of termination of employment.

The criteria for determining the level of fixed remuneration of key management personnel is mainly related to: (i) professional specialisation; (ii) organisational role covered; (iii) responsibilities; and (iv) availability on the market. This is however defined on the basis of benchmarks for similar positions of peers and comparables.

Given the aims of attracting and retaining qualified and experienced managers, the Company constantly monitors market practices for the purpose of aligning itself with the best practices.

As far as the non-executive directors are concerned - always in keeping with the recommendations contained in the Corporate Governance Code – the related payments are not tied to the financial results of the Issuer and are commensurate with the commitment required in relation to participation in the board committees, with different payments made to the Chairman compared with the members of each committee, taking into consideration the role assigned to the latter for coordinating work and liaising with company bodies and corporate departments.

1.3.2. The short-term variable components of remuneration

Short-term variable remuneration is directly related to achieving annual results parameterised to a set of metrics selected and approved by the Board of Directors upon a proposal submitted by the CNC.

As far as the CEO is concerned, the STI is linked to the achievement of group results, confirmed, with reference to 2015, in terms of EBITDA, Book-to-Bill and PFN (for more details see § 1.4.3.2). There is a minimum performance threshold- below which no sum is awarded- positioned close to the target figure. On reaching this minimum threshold, a bonus will be paid that is far lower than the target bonus, which only accrues when 100% of the targets are achieved (for more details see §1.4.3.2).

As far as Key Management Personnel are concerned, according to the resolution of the Board of Directors of March 19, 2015, the related short-term incentive plans follow a so-called cascade logic which measures the results, in other words parameterised on the results (i) of the Group (identified, with reference to 2015, in terms of EBITDA, Book-to-Bill and NFP, (ii) of the specific business unit to which one belongs and (iii) of individual performance.

This system - in line with the most recent best practices - allows the incentive of individual performance, on the one side, to be adequately balanced against sustainability, on the other side. There is also a minimum performance level below which no payment is made.

The targets - both quantitative and qualitative - are predetermined, can be measured and differentiated on the basis of the various skills and operations of the respective recipients, thereby allowing, on the one side, the monitoring of multiple aspects of corporate and individual performance and, on the other side, the identification of the contribution by each Key Management personnel to the achievement of the general strategic targets pursued by the Company. In particular, the assignment of business unit and individual performance targets aims to place an emphasis on the company processes and change management.

This all takes place with a view to transparency and accessibility of the reference data.

In relation to the short term variable components of remuneration, clawback clauses are provided which will permit the Issuer to reclaim, in whole or in part, variable components of remuneration paid to persons who, whether intentionally or through gross negligence, have altered the data used to achieve the objectives or have reached the same through actions that are in violation of the provisions of law or the contract.

1.3.3. The long-term variable components of remuneration

The long-term variable component, which can have an monetary composition or be represented by the Company's shares, is based on plans aimed at (i) focusing the attention of the beneficiaries on factors of strategic interest, (ii) promoting loyalty, (iii) aligning

remuneration to the creation of value, in the medium to long-term for shareholders and (iv) guaranteeing an overall competitive level of remuneration.

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

The long-term variable component accrues and is issued in one go at the end of the time horizon of the long-term plan.

In relation to the long term variable components of remuneration, clawback clauses are provided which will permit the Issuer to reclaim, in whole or in part, variable components of remuneration paid to persons who, whether intentionally or through gross negligence, have altered the data used to achieve the objectives or have reached the same through actions that are in violation of the provisions of law or the contract.

1.3.4. The policy on non-monetary benefits and insurance cover, or social security or pension payments other than statutory ones

With the aim of offering overall remuneration that is as competitive as possible and in line with the best practices adopted nationally and internationally, the overall economic payment of directors and key management personnel is completed by non-monetary benefits.

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

Key management personnel, in line with the provisions of the collective agreement for managers of companies producing goods and services (the "Managers' CCNL") applied by the Company, are guaranteed insurance cover in the case of death or permanent invalidity which would reduce their working capacity by more than 2/3 as a result of a work-related accident or illness.

In conformity with the best practice of the sector, the Company also has a "D&O" (Directors & Officers) insurance policy to cover any liability with regard to third parties (and the Issuer) for the non culpable behaviour of the above-mentioned individuals.

Key Management Personnel may be assigned company cars for both private and business use, as well as housing, in accordance with current company policies.

1.3.5. The policy relating to payments in the case of termination of office or termination of employment

There are no individual agreements which involve special indemnity or payments (*e.g. golden parachutes*) for directors and key management personnel. In the event of termination of office or termination of employment, the applicable statutory requirements and those of the national collective labour agreement (CCNL) for Senior Managers shall apply.

1.4.1. The remuneration of the Chairman of the Board of Directors

1.4.1.1. *Shareholders' Meeting remuneration for office*

The Impregilo (now Salini Impregilo S.p.A.) Shareholders' Meeting held on July 17, 2012, 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 2014, of €200,000.00 (two hundred thousand).

1.4.1.2. *Remuneration for mandate*

The Board of Directors' meeting held on March 19, 2014 conferred upon the Chairman of the Board of Directors the role of maintaining the Company's international institutional relations, determining the gross annual remuneration at €200,000.00 (two hundred thousand), pursuant to Article 2389, paragraph 3 of the Italian Civil Code, for the special mandate conferred.

Following the appointment of the new Board of Directors, which will take place during the Shareholders' Meeting convened to approve the 2014 financial statements, the shareholders and possibly the Board of Directors will resolve on the remuneration of the Chairman.

1.4.1.3. *Payment in the case of termination of office*

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

1.4.1.4. *Benefits*

Insurance cover and welfare payments are provided to the Chairman at a cost of €11,410.00 to the company.

1.4.2. Remuneration of non-executive directors

1.4.2.1. *Shareholders' Meeting remuneration for office*

The Impregilo (now Salini Impregilo S.p.A.) Shareholders' Meeting held on July 17, 2012 approved a gross annual remuneration of €50,000.00 (fifty thousand) for each member of the Board of Directors, in office until the approval of the financial statements as at December 31, 2014.

The remuneration for the new Board of Directors will be resolved by the Shareholders' Meeting convened to approve the 2014 financial statements.

1.4.2.2. *Remuneration for participation in board committees*

At the Board Meeting held on July 30, 2012, on the proposal of the CNC - except with regard to the remuneration of members of the CNC - and having heard the favourable opinion of the Board of Statutory Auditors, the board resolved to determine the remuneration of the members of the internal committees as follows:

- *Executive committee*
 - Chairman: €50,000.00 (fifty thousand) gross per annum;
 - Other Members: €30,000.00 (thirty thousand) gross per annum;
 - attendance allowance: for each committee meeting, (i) €1,000.00 (one

thousand) in the case of personal participation, and (ii) €500.00 (five hundred) in the case of participation through audio or video conferencing.

- *Risk and Control Committee*

- Chairman: €50,000.00 (fifty thousand) gross per annum;
- Other Members: €40,000.00 (forty thousand) gross per annum;
- attendance allowance: for each committee meeting, (i) €1,000.00 (one thousand) in the case of personal participation, and (ii) €500.00 (five hundred) in the case of participation through audio or video conferencing.

- *Compensation and Nominating committee*

- Chairman: €15,000.00 (fifteen thousand) gross per annum;
- Other Members: €10,000.00 (ten thousand) gross per annum;
- attendance allowance: for each committee meeting, (i) €1,000.00 (one thousand) in the case of personal participation, and (ii) €500.00 (five hundred) in the case of participation through audio or video conferencing.

- *Committee for Related-Party Transactions*

- Chairman: €30,000.00 (thirty thousand) gross per annum;
- Other Members: €20,000.00 (twenty thousand) gross per annum;
- attendance allowance: for each committee meeting, (i) €1,000.00 (one thousand) in the case of personal participation, and (ii) €500.00 (five hundred) in the case of participation through audio or video conferencing.

- *Corporate Governance Advisory Board*

- members who hold the office of Director: €30,000.00 (thirty thousand) gross per annum;
- members who hold the office of Director, including the Coordinator: €60,000.00 (sixty thousand) gross per annum.

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The Board of Directors, at their meeting held on October 14, 2014, redefined the composition of the Corporate Governance Advisory Board, so that it is now composed of two non-director members and confirmed the remuneration of €60,000.00 (sixty thousand) gross per annum.

1.4.2.3. Payment in the case of termination of office

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

1.4.2.4. Benefits

Insurance cover and welfare payments are provided to nonexecutive directors at a cost of €11,410.00 to the company.

1.4.3. Remuneration of the CEO

The Board of Directors' meeting on July 18, 2012, appointed Pietro Salini as CEO 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 CEO is, currently, the sole executive director of the Issuer.

The Board of Directors, at a meeting held on March 19, 2014, resolved, on the proposal of the CNC, on the overall and complex economic remuneration of the CEO, in the form of a gross annual salary (the "**GAS**") for his duties as director and fees pursuant to Article 2389 paragraph 3 of the Italian Civil Code for his activities as CEO (overall the "**Remuneration Payments**") under the terms set out in paragraphs 1.4.3.1. and 1.4.3.2..

Following the appointment of the new Board of Directors, which will take place during the Shareholders' Meeting convened to approve the 2014 financial statements, the Board will resolve on the remuneration of the Chairman.

1.4.3.1. The fixed components of the Remuneration Payments

The amount of the GAS due to the CEO from January 1, 2014, with reference to the management employment contract with the Company and in the light of the tasks which are the subject of this report, has been determined as €650,000.00 (six hundred and fifty thousand).

As of January 1, 2014, the amount of the fixed fees due to the CEO for exercising his powers has been set at €1,350,000.00 (one million three hundred and fifty thousand).

Added to this amount are the payments pursuant to Article 2389, paragraph 1 of the Italian Civil Code, paid in relation to the office of board director and in relation to the participation, as member or Chairman, in the activities of internal committees.

1.4.3.2. The variable components of the Remuneration Payments

The CEO, precisely in this capacity and as payment for exercising his powers, is also entitled to receive a variable fee, always pursuant to Article 2389 of the Italian Civil Code, in terms of the STI and the LTI payments.

As regards 2015, the 2015 STI was confirmed - taking the basis of the calculation as the fixed part of his remuneration, given by the sum of the GAS and the fixed fee for the mandate - as an amount, on reaching 100% of the targets (the "**Target STI**") of €2,000,000.00 (two million).

The payment and amount of the STI for 2015 are subject to and parameterised to the reaching of the fixed targets in terms of:

- EBITDA (with a weighting of 50% on the overall amount of the STI);
- Book-to-Bill ratio (with a weighting of 25% on the overall amount of the STI);
- NFP as recorded at year end (with a weighting of 25% on the overall amount of the STI).

As regards the LTI incentive plan, the Board of Directors, which met on March 19, 2014, on the proposal of the CNC, established, using the sum of the GAS and the fixed fee for the mandate as the basis of the calculation, a **2013-2015** LTI plan equal to, upon reaching 100% of the targets (the "**2013-2015 LTI Target**") €4,800,000.00 (four million and eight hundred thousand), as the sum of the GAS and fixed fees pursuant to 2389, paragraph 3 of the Italian Civil Code recognised to the CEO for 2013 (in the amount of €800,000), 2014 and 2015 (in the amount of €2,000,000 for each year).

The payment and amount of the LTI are subject to and parameterised to the reaching of the fixed targets in terms of:

- 2013-2015 cumulative revenues (with a weighting of 50% on the overall amount of the LTI);
- 2013-2015 average ROE (with a weighting of 50% on the overall amount of the LTI).

Disbursement is expected to take place with a single payment during 2016, after having verified that the assigned performance targets have been reached.

In addition to the foregoing, subject to approval by the shareholders at their meeting to be held on April 30, 2015, of the 2015-2017 Performance Share Plan proposed by the Board of Directors, the CEO is expected to be included, effective on January 1, 2015, as a potential beneficiary of the 2015-2017 LTI Plan in a mixed cash/performance share format (see paragraph 1.4.4.2. for details), with the recognition of cash and a number of performance shares calculated on a pro-quota basis, in reference to 2016 and 2017 only (**2015-2017 LTI Target**). All of this, in order to fully align the long term targets among all Key Management Personnel in the Company, while not changing the previously approved comprehensive retribution package and to benefit the coherence and effectiveness of the entire long term incentive plan.

The right to receive the STI and the LTI, respectively, accrues when a minimum performance threshold is reached, set at the achievement of 80% of the respective targets (the "**Minimum Performance**") below which no amount is issued.

The attainment of the Minimum Performance entails the provision of 50%, respectively, of the STI Target and the LTI Target.

When a performance level equal to or more than 120% is reached, the STI and the LTI accrue in a percentage equal to 140%, respectively of the STI Target and the LTI Target.

These STI and LTI levels therefore represent the maximum incentive level that can be achieved.

For the achievement at intermediate points between 80% and 100% or between 100% and 120%, linear interpolation will be used to calculate the bonus.

The CNC has also the power, also acting on the advice of the Chairman, to propose to the Board of Directors the payment of any exceptional bonuses to the CEO in connection with extraordinary events, of such significance as to impact substantially on the value and on the business volumes of the Company and/or on the related profitability, that justify this additional payment. In that case, appropriate disclosure relating to the amount, reasons and criteria for determining any such extraordinary bonuses should be provided in the first Remuneration Report following the payout.

1.4.3.3. Remuneration for participation in board committees

As a member and Chairman of the Executive Committee, the CEO receives a (i) fixed compensation of €50,000.00 (fifty thousand) gross per annum as well as (ii) related attendance allowances.

1.4.3.4. Payment in the case of termination of office and employment

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

Moreover, given that the CEO has, as noted, an employment contract with the Company, he

is the recipient - as far as this separate albeit complementary, contract is concerned - of the ordinary safeguards provided for in the collective agreement for managers in the case of dismissal.

1.4.3.5. Benefits

Insurance cover and welfare payments are provided for the CEO at a cost of €27,151.00 to the company.

1.4.4. Remuneration of Key Management Personnel

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

On August 5, 2013, the Board of Directors, on the proposal of the CEO, instituted the Domestic Operations General Management, entrusted to Michele Longo, the International Operations General Management, entrusted to Claudio Lautizi, and the Group Finance and Corporate General Management, entrusted to Prof. Massimo Ferrari, within which the Administration, Finance and Planning Department was set up under the supervision of Alessandro De Rosa (who is also Deputy of the Group Finance and Corporate General Management).

On that same date (August 5, 2013), the Board of Directors appointed the Group Finance and Corporate General Manager, Massimo Ferrari, as Financial Reporting Manager.

On December 12, 2013, on the proposal of the CEO, the Board of Directors then identified the General Directors in the persons of Massimo Ferrari, Michele Longo and Claudio Lautizi and the Deputy General Director Alessandro De Rosa as Key Management Personnel of the Company. On December 17, 2014, the Director of Human Resources & Organization, Mr. Gian Luca Grondona, was also appointed as Key Management Personnel, effective January 1, 2015.

Current Key Management Personnel and their functions are shown below:

Key Management Personnel	
GD Group Finance & Corporate	Massimo Ferrari
GD Administration Finance& Planning	Alessandro De Rosa
GD International Operations	Claudio Lautizi
GD Domestic Operations	Michele Longo
HR & Organization Director	Gian Luca Grondona

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

1.4.4.1. The fixed remuneration component

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

In line with the recommendations of the Corporate Governance Code, the fixed component of remuneration is determined to an extent that sufficiently rewards the performance of

each Key Management Personnel, even if the variable components have not been issued due to failure to meet the related performance targets to which they are subject.

1.4.4.2. The variable remuneration component

As far as the variable component is concerned, with reference to 2015, Key Management Personnel can also be eligible to receive a short-term variable compensation (the "**STI KMP**"), when 100% of the targets are reached (the "**STI KMP Target**"), in the amount of the respective fixed remuneration components.

The payment and the amount of the respective STI KMP are subject to and parameterised to the targets being met:

- Group (identified for 2015 in terms of EBITDA, Book-to-Bill ratio and NFP), with a weighting of 30% with regard to Mr. Longo and Mr. Lautizi and 40% with regard to Mr. Ferrari, Mr. De Rosa and Mr. Grondona, on the overall amount of the respective STI KMP;
- the specific business unit to which they belong (with a weighting of 40% with regard to Mr. Longo and Mr. Lautizi and 30% with regard to Mr. Ferrari, Mr. De Rosa and Mr. Grondona, on the overall amount of the respective STI KMP) and mainly focused on the merger project underway;
- individual performance (with a weighting of 30% on the overall amount of the respective STI KMP) and mainly concentrated on the managerial performance required for the implementation of the change management process underway.

The right to receive the STI KMP accrues when a minimum performance level, set at the achievement of 80% of the respective targets, is reached, below which no amount is paid.

The provision of 50% of the STI KMP Target is made in line with the minimum performance.

When a performance level equal to or more than 120% is reached, the STI KMP accrues in a percentage equal to 140%, of the STI KMP Target.

This level of STI KMP therefore represents the maximum incentive level that can be achieved.

For the achievement at intermediate points between 80% and 100% or between 100% and 120%, linear interpolation will be used to calculate the bonus.

In addition to the above, on March 19, 2015, the Board of Directors called the Ordinary Shareholders' meeting for approval, for the benefit of Key Management Personnel (and other managers and key persons of the Group), a Long Term Incentive Plan structured in a mixed cash/performance share structure, with the following characteristics (LTI KMP):

- three-year term, effective January 1, 2015 and ending December 31, 2017. The achievement of the targets will be assessed with the approval of the financial statements as at December 31, 2017;
- payout linked to the achievement of the performance targets calculated in terms of cumulative revenue and cumulative EBIT;
- retention clause with (i) repayment of 50% of the net payout in case of voluntary resignation in the first year after the disbursement; (ii) repayment of 25% of the net payout in case of voluntary resignation in the second year after the disbursement;
- LTI opportunity equivalent to 300% of the GAS, on a three-year basis;
- clawback clauses in case of breach of company or legal regulations or wilful misconduct or

gross negligence in order to alter the data used to measure achievement of the targets. The Plan shall be submitted for approval by the shareholders at the Annual Shareholders' Meeting called to approve the 2014 financial statements.

For further details on the terms and conditions of the Plan, please see the Board of Directors Report and the Information Document drafted pursuant to Article 114-bis of Italian Legislative Decree no. 58/98 and Annex 3A of the implementation regulations by Consob will be made available to the public on the Company's website within the deadlines provided in current regulations (www.salini-impregilo.com), together with the related Press Release.

Lastly, for key management personnel, the CNC retains the right to propose, on the instruction of the CEO, to the Board of Directors, the payment of any exceptional bonuses under the terms and conditions illustrated in §1.4.3.1 above.

1.4.4.3. *Payment in the case of termination of employment*

Key management personnel who are employees of the Company, in the case of the termination of employment, shall receive the payment respectively established by the law and/or the reference national collective agreement, if applicable, and if it is advisable for the Company, supplemented by any individual agreements to be negotiated at the time of the termination, and/or by any specific compensation for cases in which the need to sign non-competition agreements has been determined.

1.4.4.4. *Benefits*

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

2. SECTION II: DETAILS OF THE ITEMS WHICH MAKE UP THE REMUNERATION AND THE COMPENSATION PAID IN 2014

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

2.1.1. The (fixed and variable) remuneration components for the members of the Board of Directors in office

With reference to 2014, the Board of Directors and the internal Committees were composed of the following Directors: Claudio Costamagna (acting as Chairman), Pietro Salini (acting as Chief Executive Officer), Marina Brogi, Giuseppina Capaldo, Mario Cattaneo, Roberto Cera, Laura Cioli, Alberto Giovannini, Nicola Greco, Pietro Guindani, Geert Linnebank, Giacomo Marazzi, Franco Passacantando, Laudomia Pucci, e Simon Pietro Salini (until September 25, 2014).

The compensation paid *pro rata temporis* to each of the directors during 2014 is as follows:

- Director Claudio Costamagna: €200,000.00 as gross compensation for the office of Chairman of the Board of Directors, €157,260.27 for remuneration for mandate, €30,000.00 as member of the Executive Committee, as well as €12,000.00 for participation at meetings of the Executive Committee, for a total of €399,260.27;
- Director Pietro Salini: €50,000.00 as gross compensation for the office of director, €50,000.00 as member of the Executive Committee as well as €18,500.00 for participation in the meetings of the Executive Committee, for a total of €118,500.00;
- Director Marina Brogi: €50,000.00 as gross compensation for the office of director, €15,000.00 as member of the CNC, €8,000.00 for participation in the meetings of the CNC, €20,000.00 as member of the Committee for Related-Party Transactions, €2,000.00 for participation in the meetings of the Committee for Related Party Transactions, €23,589.04 as member of the Corporate Governance Advisory Board (until October 14, 2014), for a total of €118,589.04;
- Director Giuseppina Capaldo: €50,000.00 as gross compensation for the office of director, €40,000.00 as member of the Control and Risks Committee, €16,000.00 for participation in meetings of the Control and Risks Committee, €20,000.00 as member of the Committee for Related-Party Transactions, €2,000.00 for participation in meetings of the Committee for Related-Party Transactions, for a total of €128,000.00;
- Director Mario Giuseppe Cattaneo: €50,000.00 as gross compensation for the office of director, €50,000.00 as member of the Control and Risks Committee, €20,000.00 for participation in meetings of the Control and Risks Committee, for a total of €120,000.00;
- Director Roberto Cera: €50,000.00 as gross compensation for the office of director, for a total of €50,000.00;
- Director Laura Cioli: €50,000.00 as gross compensation for the office of director, for a total of €50,000.00;
- Director Alberto Giovannini: €50,000.00 as gross compensation for the office of director, €30,000.00 as member of the Committee for Related-Party Transactions, as well as €2,000.00 for participation in meetings of the Committee for Related-Party

Transactions, €30,000.00 as member of the Executive Committee, €15,000.00 for participation in meetings of the Executive Committee, for a total of €127,000.00;

- Director Nicola Greco: €50,000.00 as gross compensation for the office of director, €10,000.00 as member of the CNC, €6,000.00 for participation in meetings of the Compensation and Nominating Committee, for a total of €66,000.00;
- Director Pietro Guindani: €50,000.00 as gross compensation for the office of director, €40,000.00 as member of the Control and Risks Committee, €18,000.00 for participation in meetings of the Control and Risks Committee, for a total of €108,000.00;
- Director Geert Linnebank: €50,000.00 as gross compensation for the office of director, €10,000.00 as member of the CNC, €5,500.00 for participation in CNC meetings, €20,000.00 as member of the Committee for Related-Party Transactions, as well as €1,500.00 for the participation in meetings of the Committee for Related-Party Transactions, for a total of €87,000.00;
- Director Giacomo Marazzi: €50,000.00 as gross compensation for the office of director, €30,000.00 as member of the Executive Committee as well as €16,000.00 for participation in the meetings of the Executive Committee, for a total of €96,000.00;
- Director Franco Passacantando: €50,000.00 as gross compensation for the office of director, €40,000.00 as member of the Control and Risks Committee, €17,500.00 for participation in meetings of the Control and Risks Committee, for a total of €107,500.00;
- Director Laudomia Pucci: €50,000.00 as gross compensation for the office of director, €10,000.00 as member of the CNC, as well as €5,000.00 for participation in CNC meetings, for a total of €65,000.00;
- Director Simon Pietro Salini: €36,712.33 as gross compensation for the office of director, €22,027.40 as member of the Executive Committee as well as €10,000.00 for participation in the meetings of the Executive Committee, for a total of €68,739.73;

thus **amounting to a total of €3,059,589.04.**

2.1.1.1. *Payment in the case of termination of office*

No specific provision is made for payments in the case of termination of office for non-executive directors in office or agreements which entail compensation in case of the early termination of the term of office.

2.1.1.2. *Benefits*

Forms of insurance cover and welfare payments have been issued to non-executive directors.

2.1.2. **The (fixed and variable) components of the remuneration of the CEO**

In 2014, in addition to the compensation paid in relation to the offices of board directors and members of the Executive Committee (described in detail in §2.1.1), the CEO received a fixed fee for the mandate, pursuant to Article 2389, paragraph 3 of the Italian Civil Code, in the amount of €1,350,000.00 (one million three hundred and fifty thousand/00), in addition to €650,000.00 (six hundred and fifty thousand) as GAS. As regards the variable STI

component, it should be noted that, starting on January 1, 2014, among others, international financial reporting standards IFRS 10 and IFRS 11 came into effect, which resulted in an impact on the accounts in terms of revenue and an increase of our order book as at December 31, 2014 compared to 2013.

For the purpose of calculating the 2014 Book-to-bill parameter, the positive accounting effect, resulting from the application of these principles, on the increase of our order book was not considered, with the value of orders understood as only the amount actually awarded during the year related to the construction and concessions sector.

In view of the above, in relation to the Group results for 2014, as shown in the draft financial statements as at December 31, 2014, on the proposal of the Compensation and Nominating Committee and with the approval of the Board of Statutory Auditors, on March 19, 2015, the Board of Directors, after confirming the achievement of the STI targets, approved the payment, to the CEO, of a STI bonus for 2014 in the amount of € 2,174,322.00 gross).

2.1.3. The (fixed and variable) components of the remuneration for Key Management Personnel.

The fixed components of the remuneration paid, in relation to 2014, to each General Director and Key Management Personnel was as follows:

- Mr. Massimo Ferrari: €450,000.00 (four hundred fifty thousand) as gross annual fixed remuneration, €50,000.00 as fixed compensation for the functions of Financial Reporting Manager;
- Mr. Alessandro De Rosa: €385,714.23 (three hundred eighty-five thousand seven hundred fourteen/23)², as gross annual fixed remuneration;
- Mr. Claudio Lautizi: €600,646.00 (six hundred thousand six hundred forty six) as gross annual fixed remuneration;
- Mr. Michele Longo: €400,000.00 (four hundred thousand) as gross annual fixed remuneration.

As regards the 2014 KMP STI variable components of the remuneration, in relation to the particularly positive results of 2014, achieved in relation to extremely challenging plan targets, on the proposal of the CEO and with the approval of the Compensation and Nominating Committee, on March 19, 2015, the Board of Directors, after confirming the achievement of the 2014 KMP STI targets, resolved to pay to the above Key Management Personnel the following compensation:

- Mr. Massimo Ferrari: €637,432.00;
- Mr. Alessandro De Rosa: €509,946.00;
- Mr. Claudio Lautizi: €783,689.00;
- Mr. Michele Longo: €522,459.00.

As reported in section 2.1.2, for the purpose of calculating the 2014 Book-to-bill

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² GAS recognized: €360,000.00 until May 31, 2014, €400,000.00 starting on June 1, 2014.

parameter, relevant to the STI component for Key Management Personnel tied to the Group targets, the positive accounting effect resulting from the application, starting on January 1, 2014, of IFRS 10 and IFRS 11 was not taken into consideration.

2.1.4. Components of the remuneration of the Board of Statutory Auditors and payments made in 2014

The Salini Impregilo Shareholders' Meeting held on April 30, 2014 approved a payment of €60,000.00 (sixty thousand) gross for the Chairman of the Board of Statutory Auditors (position currently held by Alessandro Trotter) and €40,000.00 (forty thousand) gross for standing auditors (currently Teresa Cristiana Naddeo and Gabriele Villa).

In addition to the above-mentioned payments, the Salini Impregilo Shareholders' Meeting on April 30, 2014 approved the payment of an attendance allowance for participation in every meeting of the Board of Directors and the internal committees, for the Chairman of the Board of Statutory Auditors as well as for each standing auditor, of €1,000.00 (one thousand) in the case of personal participation and €500.00 (five hundred) in the case of participation through audio or video conferencing.

The compensation paid to each member of the Board of Statutory Auditors in 2014 is as follows:

- Alessandro Trotter: €60,000.00 as gross compensation for the office of member of the Board of Statutory Auditors as well as for the office of Chairman of said Board, €15,500.00 for participation in the meetings of the Board of Directors, €15,500.00 for participation in meetings of the Executive Committee, €18,000.00 for participation in the meetings of the Control and Risks Committee, as well as €6,000.00 for participation in the meetings of the CNC, for a total of €115,000.00;
- Teresa Cristiana Naddeo: €26,849.32 as gross compensation for the office of standing auditor, €9,000.00 for participation in the meetings of the Board of Directors, as well as €8,500.00 for participation in meetings of the Executive Committee, €11,500.00 for participation in the meetings of the Control and Risks Committee, as well as €2,500.00 for participation in the meetings of the CNC, for a total of €58,349.32;
- Gabriele Villa: €26,849.32 as gross compensation for the office of standing auditor, €9,500.00 for participation in the meetings of the Board of Directors, €8,000.00 for participation in meetings of the Executive Committee, €9,500.00 for participation in the meetings of the Control and Risks Committee, as well as €2,000.00 for participation in the meetings of the CNC, for a total of €55,849.32;
- Nicola Miglietta: €13,150.68 as gross compensation for the office of standing auditor, €6,000.00 for participation in the meetings of the Board of Directors, €5,500.00 for participation in meetings of the Executive Committee, €6,000.00 for participation in the meetings of the Control and Risks Committee, as well as €3,000.00 for participation in the meetings of the CNC, for a total of €33,650.68;
- Pierumberto Spanò: €12,054.79 as gross compensation for the office of standing auditor, €6,500.00 for participation in the meetings of the Board of Directors, €5,500.00 for participation in meetings of the Executive Committee, €7,000.00 for participation in the meetings of the Control and Risks Committee, as well as €2,000.00 for participation

in the meetings of the CNC, for a total of €33,054.79;

- Fabrizio Gatti: €1,095.89 as gross compensation for the office of standing auditor, for a total of €1,095.89;

thus amounting to a **total for 2014 of €297,000.00.**

2.2. FEES PAID IN 2014

2.2.1. **Table 1: Fees paid to members of the Board of Directors and the Board of Statutory Auditors, to the General Director and to Key Management Personnel**

2.2.2. **Table 2: Stock options granted to members of the Board of Directors, to the General Director and to other Key Management Personnel**

2.2.3. **Table 3: Monetary incentive plans for the members of the Board of Directors, the General Director and Key Management Personnel**

2.3. **4. INVESTMENTS OF MEMBERS OF THE BOARD OF DIRECTORS AND THE BOARD OF STATUTORY AUDITORS, GENERAL DIRECTORS AND KEY MANAGEMENT PERSONNEL (SEE TABLE 4)**

2.3.1. **Table 4: Investments of members of the board of directors and the board of statutory auditors, general directors and key management personnel**
