



**REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE  
FOR FINANCIAL YEAR 2017**

**Approved by the Board of Directors of ENAV S.p.A. on 12 March 2018**

Prepared pursuant to Article 123-*bis* of the TUF - Italian Consolidated Law on Finance

ENAV is the company that handles civilian air traffic in Italy, guaranteeing 24/7 safety and punctuality to about 1.8 million flights a year from its control towers and area control centres. With approximately 4,200 employees, the Company provides air navigation services to its customers, the airlines flying within the Italian airspace, and is established as one of the five largest industry operators in Europe in terms of operating performance and capacity for innovation.

ENAV is therefore a key operator in the international air traffic management system. It participates in research and development in coordination with national and international industry monitoring bodies and is one of the major players in the set-up of the *Single European Sky*, the programme aimed at harmonising the EU air traffic management, with the goal of enhancing safety and efficiency of air transportation.

ENAV pursues an ethical and socially responsible business model aimed at creating value for the Company and its *stakeholders* in the sustainable long-term and to such goal, also taking into account the social importance of the activities carried out by the Company, it orients its corporate governance system. This year, the Company drafted its first document on sustainability, making the most of the attention always paid to considerations for the social and environmental consequences of its activities. For more information, please refer to the Non-Financial Statement of ENAV and the ENAV Group, published on the website [www.enav.it](http://www.enav.it).

## INTRODUCTION

Starting from the first half of the year ended 31 December 2016, in view of the listing of the ENAV shares on the *Mercato Telematico Azionario* which took place on 26 July 2016, ENAV adopted procedures, policies, resolutions and took other required or recommended actions to transition its own corporate governance structure from its original form, which was typical of a fully state-owned company, to a structure that is compliant with the recommendations (principles, application criteria and comments) contained in the Corporate Governance Code for listed companies issued by Borsa Italiana, which the Company's Board of Directors resolved to adopt at its meeting of 17 February 2016 and the provisions (also of a regulatory nature) referring to listed companies, including in particular Legislative decree 58 of 24 February 1998 (hereinafter also the "Consolidated Law on Finance" or the "TUF") and the CONSOB resolution no. 11971 of 14 May 1999 (hereinafter also the "Issuers' Regulation").

This Report illustrates ENAV's corporate governance system, which is composed of a series of bodies, principles, rules and procedures that comply with the principles set out in the Code of Conduct, with the recommendations formulated by CONSOB on this subject and, more generally, with the best practices internationally applied. ENAV's corporate governance system, also taking into account the social significance of the Company's operations, pursues the main objective of creating value for its shareholders over the medium-long term and adequately balancing and fostering all relevant interests<sup>1</sup>.

The Report is preceded by the section "*ENAV: Profile and Corporate Governance*", which provides a summary of the main elements characterising ENAV's corporate governance system.

This Report consists of three sections aimed at providing the following information:

- Section I - Information on ownership structure
- Section II - Structure of the corporate governance system adopted by the Company
- Section III - Summary tables

The Report was prepared having regard in particular to:

- the format for Reports on Corporate Governance and ownership structure prepared by *Borsa Italiana S.p.A.* (the Italian Stock Exchange) (VII Edition of January 2018)<sup>2</sup>.
- The European House - Ambrosetti S.p.A. Final report 2017 of the Observatory on Corporate Governance Excellence in Italy;
- the Assonime 2017 report "Corporate Governance in Italy: code of conduct, compensation and comply-or-explain";
- the 2017 Final report on the development of corporate governance of listed companies of the Corporate Governance Committee of the Italian Stock Exchange.

This Report is published in the "*Governance*" section of [www.enav.it](http://www.enav.it).

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<sup>1</sup> As evidence of the Company's commitment to an increasingly effective and transparent corporate governance, on the occasion of the publication by The European House - Ambrosetti of the results of the excellent corporate governance index of Italian listed companies for 2017 (EG Index 2017), ENAV ranked first in the area of the "Operation of the Board of Directors" among the industrial companies in the MID CAP segment of the Italian Stock Exchange

<sup>2</sup>The format of the Italian Stock Exchange is available at the following address: <http://www.borsaitaliana.it/comitato-corporate-governance/documenti/format.htm>.

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## ENAV PROFILE AND CORPORATE GOVERNANCE

### A. CORPORATE GOVERNANCE

ENAV's corporate governance system, also taking into account the social significance of the Company's operations, pursues the main objective of creating value for its shareholders over the medium-long term and adequately balancing and fostering all relevant interests. In accordance with the provisions of Italian legislation regarding listed companies, the corporate governance structure of ENAV is based on the traditional Italian model, which, save for the powers reserved to the Shareholders' Meeting by the law and by the Articles of Association, attributes to the Board of Directors the strategic and operational management of the Company and to the Board of Statutory Auditors the supervisory functions.

In accordance with the provisions of the Articles of Association, the Board of Directors has appointed a Chief Executive Officer, entrusted with all the powers for the ordinary and extraordinary management of the Company, while reserving to its exclusive competence decisions on certain matters. The Chief Executive Officer is thus the Director primary responsible for the management of the Company, without prejudice to the powers and responsibilities reserved to the Board of Directors.

The Board of Directors at the meeting held on 4 May 2017 also granted the Chairman powers for supervision of internal auditing activities and, together with the Chief Executive Officer, the responsibility of managing national and international institutional relations. The Chairman, in agreement with the Chief Executive Officer, also handles external communication activities and relations with national and foreign media.

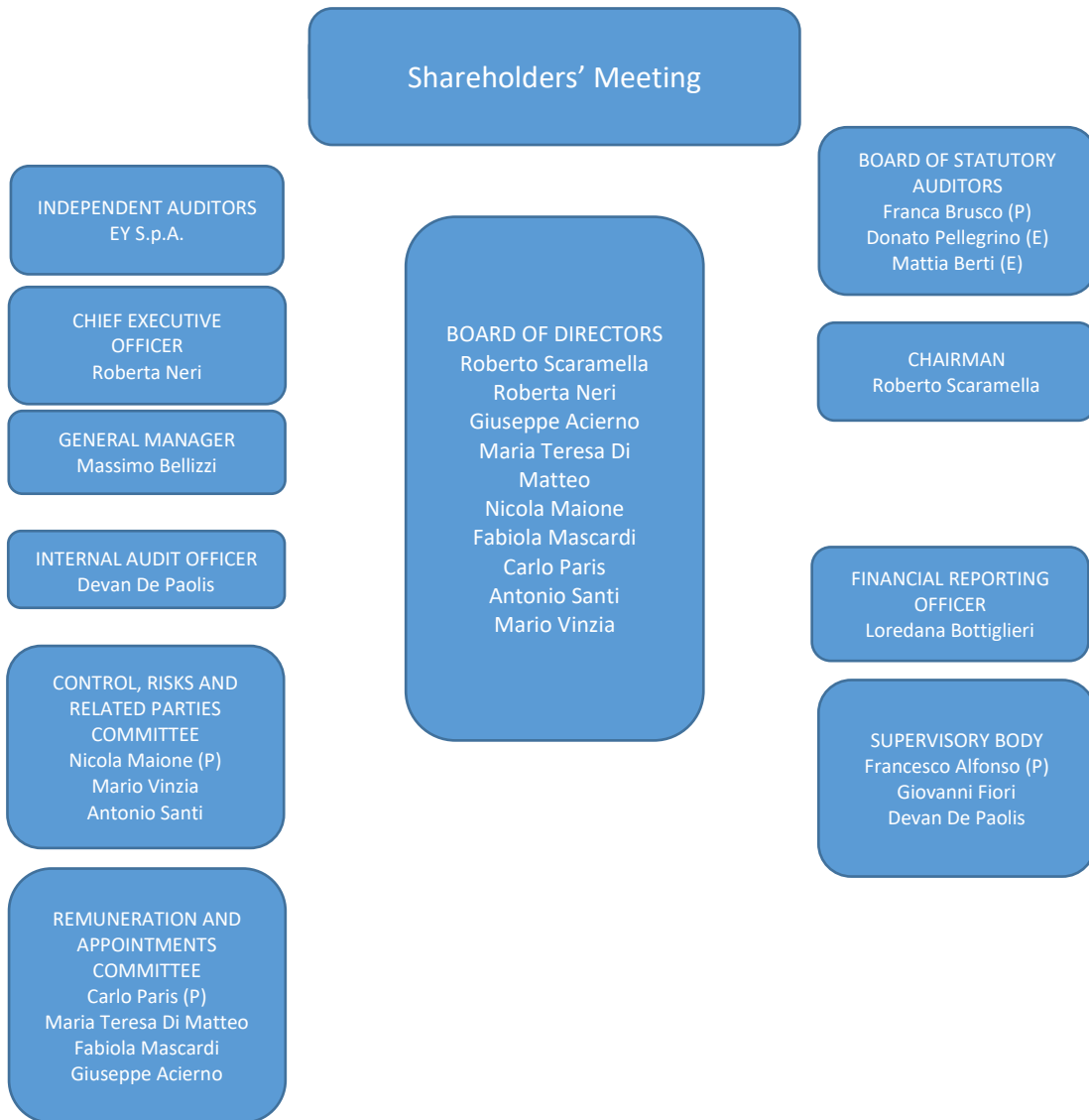
The model chosen therefore establishes the separation of the functions of the Chairman of the Board and of the Chief Executive Officer, while both have the power to represent the Company.

In accordance with the recommendations of the Corporate Governance Code, the Board of Directors has established two internal committees with advisory and proposal-making functions in respect of the Board: the Control and Risks and Related Parties Committee and the Remuneration and Appointments Committee, which report to the Board through their respective Chairmen.

At the meeting held on 4 May 2017, the Board of Directors, at the proposal of the Chief Executive Officer and acknowledging the favourable opinion expressed by the Board of Statutory Auditors in accordance with Article 18-*bis* of the Articles of Association, also appointed the Financial Reporting Officer in charge for preparing the Company's financial statements.

The task of independent legal audit is carried out by the auditing company EY S.p.A., registered in the relevant register and appointed by the Shareholders' Meeting, at the proposal of the Board of Statutory Auditors.

## Governance



## B. MAIN COMPANY HIGHLIGHTS

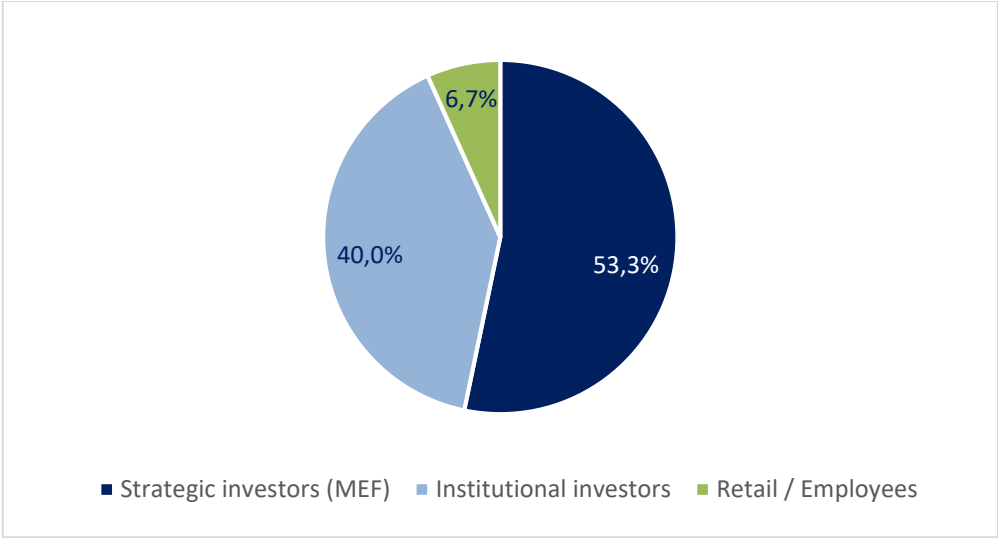
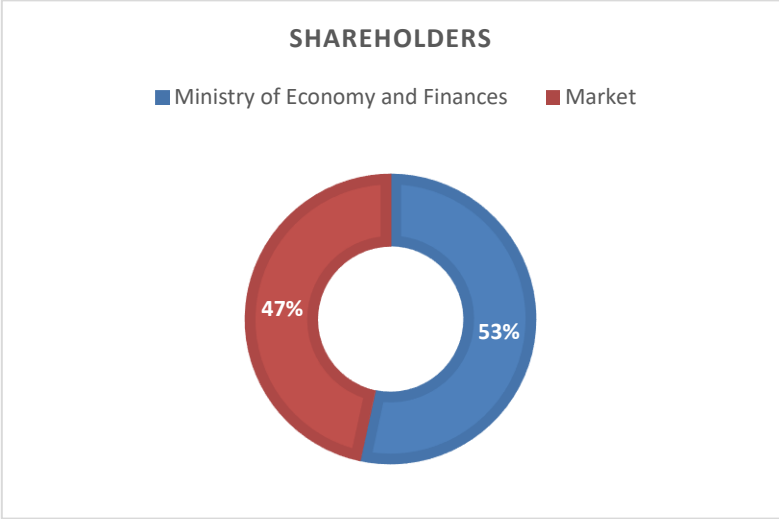
	2017	2016	Variation	%
Total revenues	881.824	865.271	16.553	1,9%
EBITDA	283.595	254.879	28.716	11,3%
EBIT	146.682	116.884	29.798	25,5%
Consolidated profit for the year	101.498	76.345	25.153	32,9%
Net financial indebtedness	117.482	100.121	17.361	17,3%
Stock market capitalisation at 31/12	2.443.267	1.779.089	664.178	37,3%
Headcount at end of year	4.181	4.233	(52)	-1,2%

## C. 2016/2017 STOCK PERFORMANCE IN RELATION TO ONE OR MORE BENCHMARK INDICES





D. STRUCTURE AND CHARACTERISTICS OF THE SHAREHOLDERS' BASE



\* resulting from *shareholder ID* performed in October 2017.

## E. COMPOSITION OF BOARD OF DIRECTORS AND COMMITTEES

DIRECTOR	OFFICE in the BoD	ROLE	M/m	CCRRP	CRN
Roberto Scaramella	Chairman	Non-executive	M		
Roberta Neri	Chief Executive Officer	Executive	M		
Giuseppe Acierno	Director	Non-executive	M		C
Nicola Maione	Director	Non-executive	M	P	
Fabiola Mascardi	Director	Non-executive	M		C
Maria Teresa Di Matteo	Director	Non-executive	m		C
Carlo Paris	Director	Non-executive	m		P
Antonio Santi	Director	Non-executive	m	C	
Mario Vinzia	Director	Non-executive	M	C	

CCRRP: Control, Risks and Related Parties Committee.

CRN: Remuneration and Appointments Committee

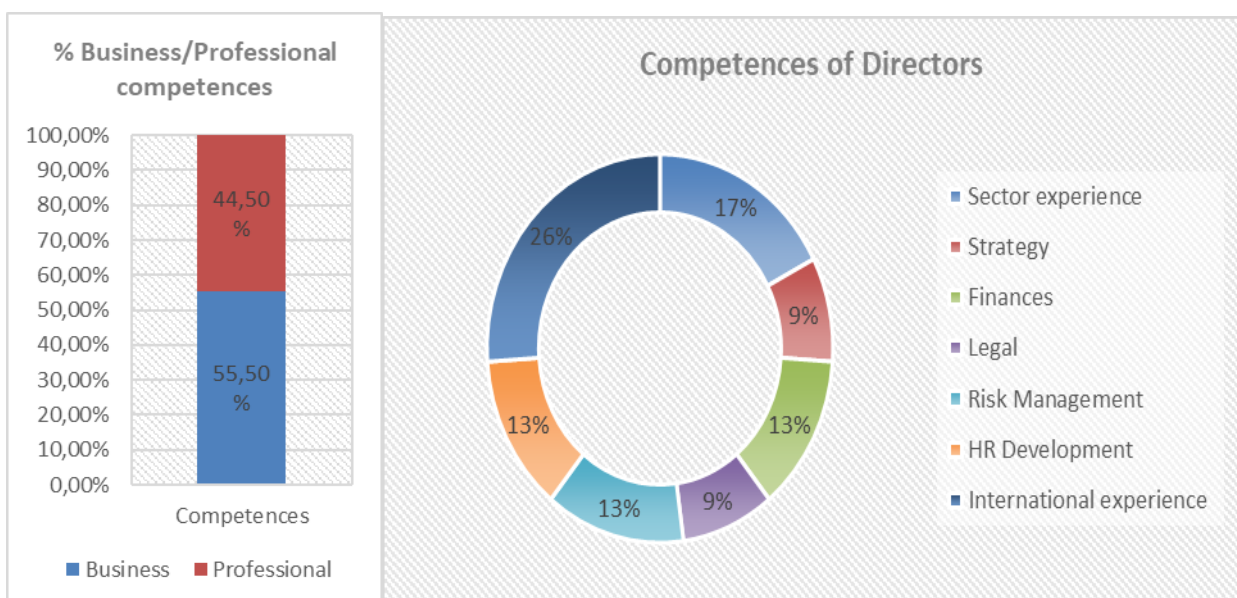
M: Majority list

m: Minority list

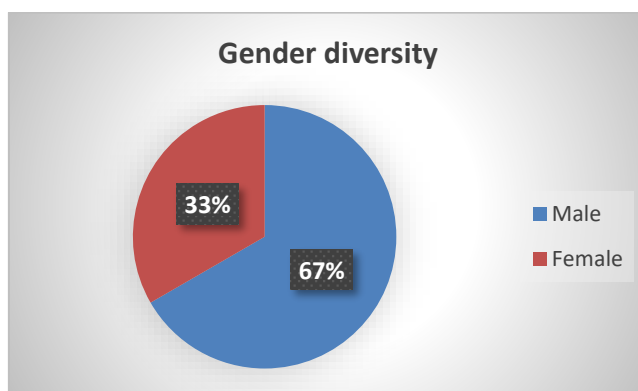
P Chairman

C: member

## F. MIX OF RESPONSIBILITIES AND DIVERSITY



The "Professional" area includes the Directors who exercise the profession of lawyers, notaries, accountants, tax consultants, auditors and university professors on economic and financial matters; the "Business" area includes Directors who are managers (line or staff) or entrepreneurs. The "Business" area also includes technical and business consultants.



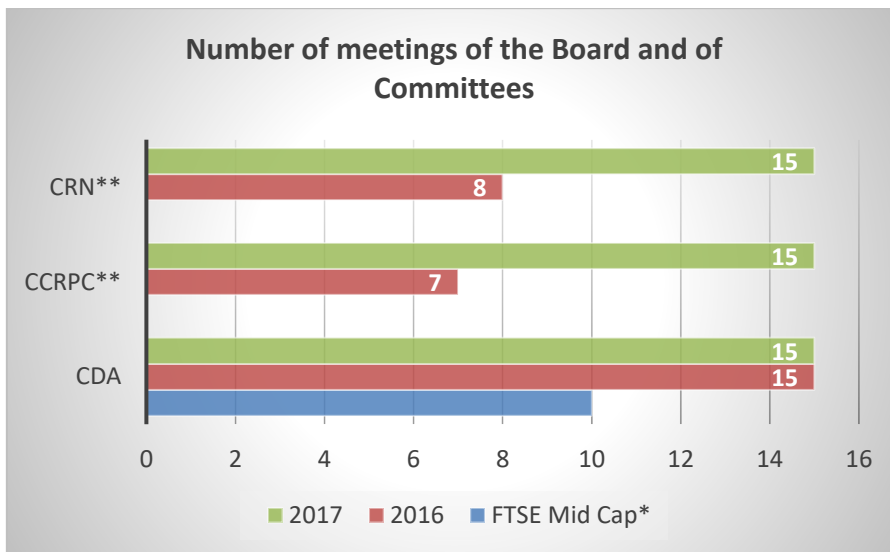
### Developments compared to the previous mandate

	Previous mandate	Current Mandate	Average MID Cap
<b>Number of Directors</b>	7	9	10.8*
<b>Directors Elected from minority shareholders</b>	-	33.3%	17%**
<b>% of the less represented gender in Board of Directors</b>	28.5%	33.3%	28.5%*
<b>% of independent Directors</b>	28.5%	66.6%	49%*
<b>Average age of Directors</b>	52.7	53.1	57.5*
<b>Status of the Chairman</b>	Non-Executive	Non-Executive	-
<b>Existence of Lead Independent Director</b>	no	no	-

\* *The European House -Ambrosetti S.p.A.*, Final report 2017 of the Observatory on Corporate Governance Excellence in Italy; The data refers to the year 2016.

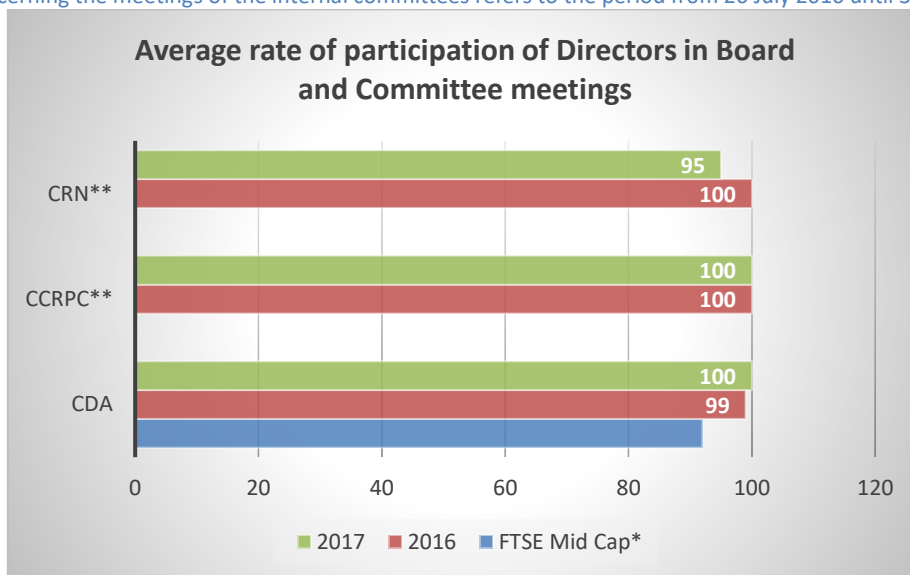
\*\*Assonime, 2017 report "*Corporate Governance in Italy: code of conduct, compensation and comply-or-explain*".

## G. FUNCTIONING OF BOARD OF DIRECTORS AND OF COMMITTEES



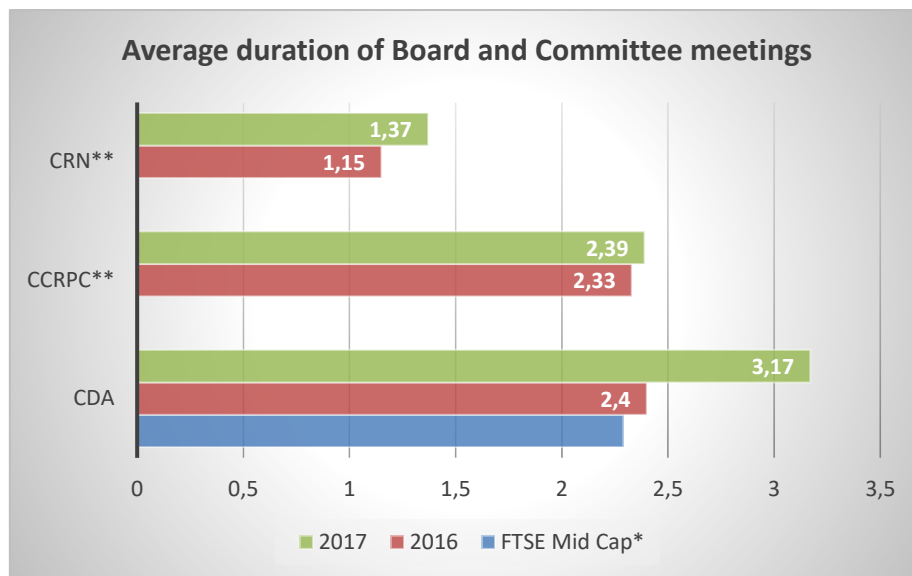
\* *The European House -Ambrosetti S.p.A.*, Final report 2017 of the Observatory on Corporate Governance Excellence in Italy; The data refers to the year 2016.

\*\* The figure concerning the meetings of the internal committees refers to the period from 26 July 2016 until 31 December 2016.



\* *The European House -Ambrosetti S.p.A.*, Final report 2017 of the Observatory on Corporate Governance Excellence in Italy; The data refers to the year 2016.

\*\* The figure concerning the average participation at the meetings of the internal committees refers to the period from 26 July 2016 until 31 December 2016.



\*\*Assonime, 2017 report "Corporate Governance in Italy: code of conduct, compensation and comply-or-explain"

\*\* The data concerning the average length of the meetings of the internal committees refers to the period from 26 July 2016 until 31 December 2016.

#### Offices held by Directors as Directors or Statutory Auditors in other companies

	Other listed companies				Other relevant non listed companies	
	Executive Director	Non-executive Director	Independent Director	Auditor	Director	Auditor
Roberto Scaramella	-	-	-	-	-	-
Roberta Neri	-	-	1	-	1	-
Giuseppe Acierno	-	-	-	-	-	-
Nicola Maione	-	1	-	-	-	-
Fabiola Mascardi	-	1	-	-	-	-
Maria Teresa Di Matteo	-	-	-	-	-	-
Carlo Paris	-	-	-	-	-	-
Antonio Santi	-	-	-	-	-	1
Mario Vinzia	-	-	-	-	-	-

### Annual Board Evaluation process

Annual Board Evaluation process	Yes
Support in the evaluation process	Spencer Stuart
Self-assessment methods	Interviews and questionnaires

## H. REMUNERATION

### Summary of remuneration policy instruments

LTI	NO	YES
Existence of a long-term incentive system		X
<b>LTI Vehicles</b>		X
Cash	X	
Financial Instruments		X
<b>LTI parameters for the CEO</b>	<b>Weight</b>	
Cumulative EBIT		X
Relative TSR		X
Free Cash Flow		X

STI	NO	YES
Existence of a long-term incentive system		X
Existence of a <i>bonus cap</i>		X
<b>LTI parameters for the AD</b>	<b>Weight</b>	
EBITDA		X
ROE	X	
Revenues	X	
PFN	X	
Net Profit		X
Operating performance		X
Unregulated market turnover		X

**STI:** Short Term Incentive

**LTI** Long Term Incentive

**EBITDA:** (Earnings Before Interest, Taxes, Depreciation and Amortisation): an indicator which highlights the economic result before the effects of financial management and tax management, as well as amortisation, depreciation and write-downs on fixed assets, receivables and provisions, as reported in the financial statements and adjusted for investment grants directly associated with the amortised investments to which they relate.

**PFN:** (Net financial position): *the sum of financial liabilities, financial assets related to the fair value of the derivative and cash and cash equivalents;*

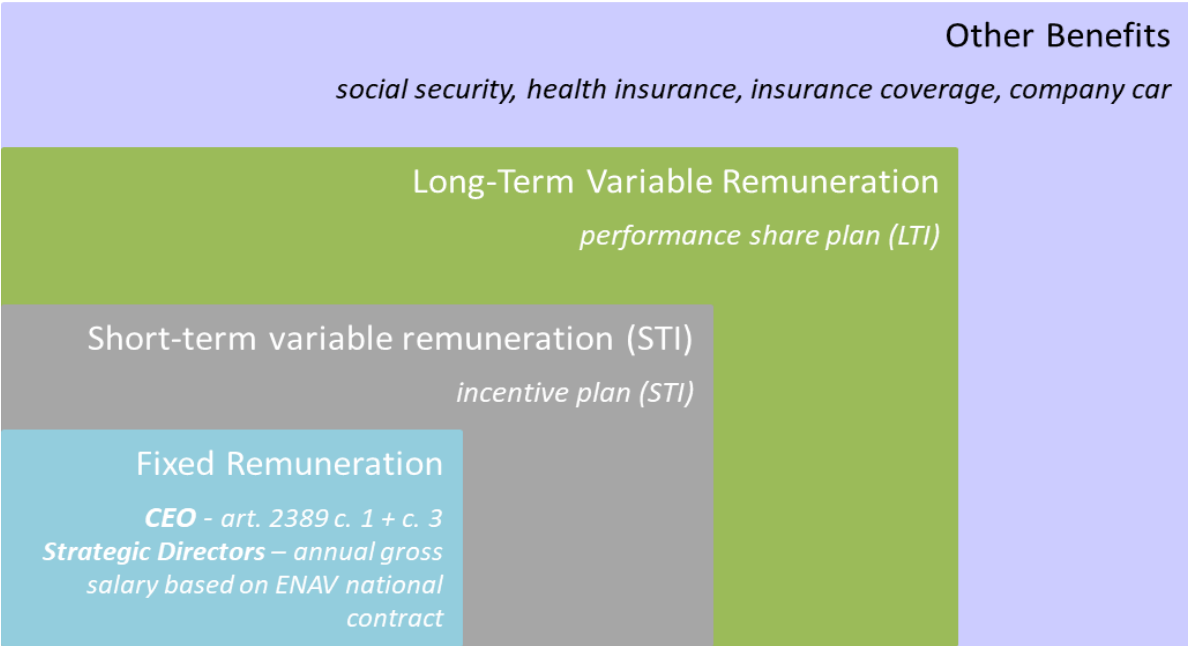
**ROE** index of return on equity

**TSR:** *indicator representing the overall return for a shareholder given the increase in stock price during a reference period and any dividends paid during the same period.*

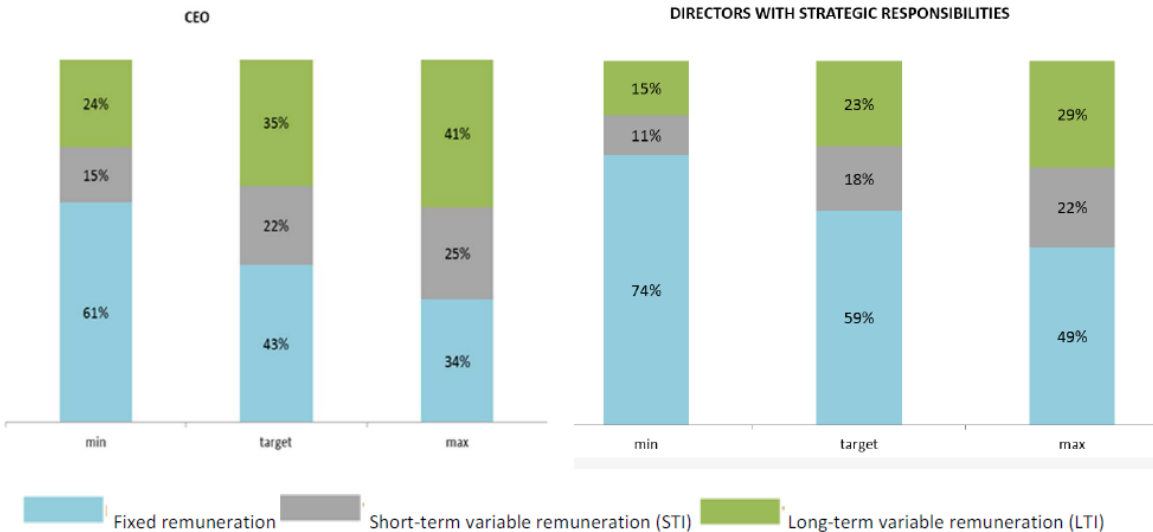
**Free Cash Flow:** *represents the free cash flow available and is equal to the sum of the cash flow generated or used by operating activities and the cash flow generated or used by investment activities.*

**Remuneration policy in theoretical remuneration levels**

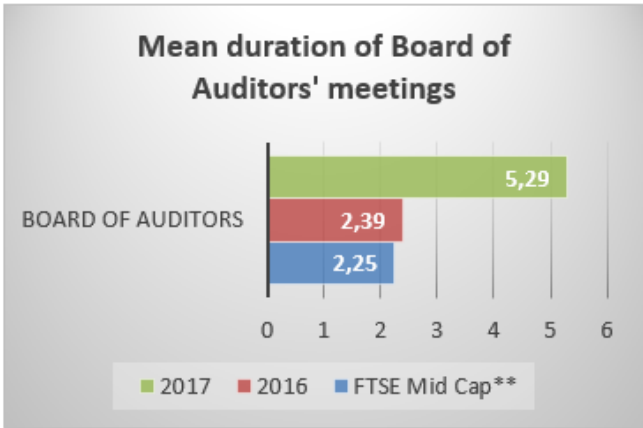
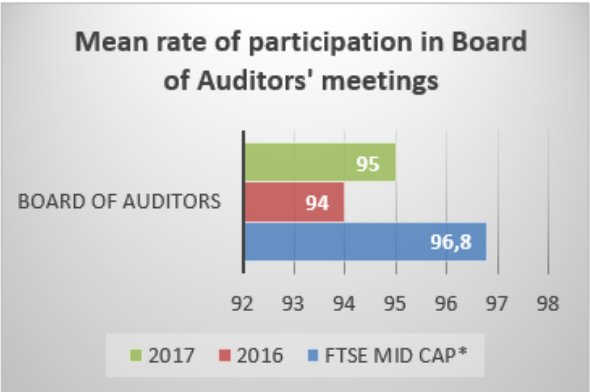
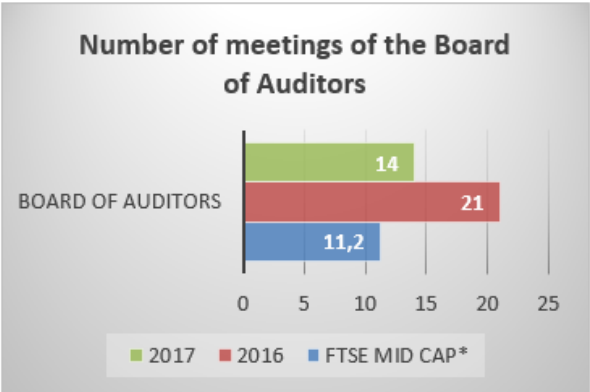
**Theoretical Pay mix for the Chief Executive Officer and for Managers with strategic responsibilities**



Variation in the remuneration of the Chief Executive Officer and of Managers with strategic responsibilities as a result of the achievement of performance targets and related pay mix



I. THE BOARD OF STATUTORY AUDITORS



\* The European House -Ambrosetti S.p.A., Final report 2017 of the Observatory on Corporate Governance Excellence in Italy; The data refers to the year 2016.

\*\*Assonime, 2017 report "Corporate Governance in Italy: code of conduct, compensation and comply-or-explain"

















## J. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

### Main elements of the Internal Control and Risk Management System

	YES/NO
Presence of the Risk Management function	YES
Existence of an Enterprise Risk Management Plan	YES
If yes, this plan is discussed with the Control and Risk and Related Parties Committee?	YES
Presence of Succession /Contingency plans	YES
Preparation of specific Compliance programs ( <i>Antitrust, Anticorruption, Whistleblowing, etc.</i> )	YES

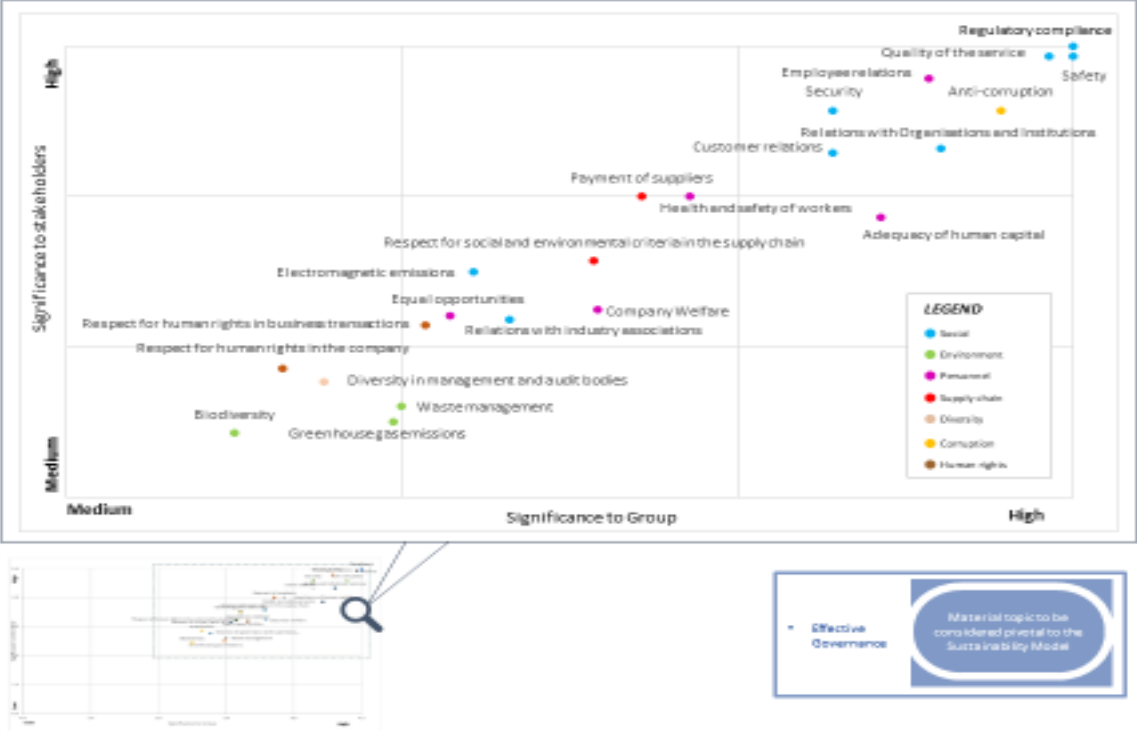
### Internal Control and Risk Management System - Risk Report

Major risks	Probability	Impact	Mitigation actions
Air Navigation Services			Definition of Safety and Security policies to support the ATM/CNS operations Continuous training and monitoring of the physical capacity of the operating staff. Three-year Safety Plan. Risk assessment and continuous monitoring of physical security activities (people and infrastructures) and information (cyber) through the Security Operation Centre (SOC). Business Continuity Model and continuous monitoring of the performance of ATM / CNS systems and maintenance activities.
Technological and infrastructural development			Improvement of the investment management and control model in order to optimize the performance/cost mix of the service and to minimize the operational security risks associated with the provision of the service. Integrated and continuous development of processes and support systems in all phases of the life cycle of realization of investments.
Business Development			Organizational measures dedicated to the development and management of business opportunities. Monitoring activities of the progress of the key milestones for the development of the main businesses. Definition of country risk management policies (e.g. Security, Political-Social-Economic, Corruption) and Credit risk to support identification, evaluation and approval of commercial activities.
Traffic and cost management			Continuous monitoring of variations and traffic trends. Forecast and representation analysis. Corrective action plans.
Human and organizational capital			Duties supporting the processes of planning, optimization and alignment of human capital with the Group's business objectives and strategies. Continuous improvement of leadership models, skills and evaluation and development of resources. Succession and career plans.
Governance and compliance issues			Monitoring and evaluation of the impact deriving from regulatory changes. Adoption of a Code of Ethics and a Management and Control Organization Model pursuant to Legislative Decree 231/2001. Periodic review of the model of delegation in relation to health, safety and the environment. Anti-corruption model and policy, introduction of the whistle-blowing system and regulation in line with best practices for the market. Anti-corruption monitoring.
Image and reputation			Control of risk sources that may cause damage to the corporate image and reputation. Continuous monitoring of 'image relevant' content in the press/radio-TV /web/social media. Adoption of rules and processes aimed at minimizing damage relating to the image and reputation.



K. SUSTAINABILITY

Relevance Matrix



## GLOSSARY

Below is a list of the most common definitions used throughout this report:

<b>Directors or Director</b>	The members of ENAV's Board of Directors (or each Member of ENAV's Board of Directors)
<b>Shareholders Meeting or Meeting</b>	ENAV Shareholders' Meeting, either ordinary or extraordinary
<b>2017 Shareholders' Meeting</b>	ENAV Shareholders' Meeting of 28 April 2017
<b>Code or Corporate Governance Code</b>	The Code of Conduct for listed companies, approved by the Corporate Governance Committee of <i>Borsa Italiana S.p.A.</i> in March 2006, as subsequently amended or supplemented
<b>Board of Statutory Auditors</b>	The Board of Statutory Auditors of ENAV
<b>CRPC Committee</b>	Control and Risks and Related Parties Committee of ENAV
<b>RN Committee</b>	Remuneration and Appointments Committee of ENAV
<b>The Board of Directors or Board</b>	ENAV's Board of Directors
<b>Financial Reporting Officer</b>	The Officer in charge for preparing the Company's Financial Statements
<b>ENAV or the Company</b>	ENAV S.p.A.
<b>Financial Year</b>	2017 financial year
<b>ENAV Group or Group</b>	ENAV and the companies controlled thereby pursuant to Article 2359 of the Italian Civil Code and Article 93 of the Consolidated Law on Finance

<b>Stock Exchange Regulation Instructions</b>	The Regulation Instructions for Markets organised and managed by Borsa Italiana S.p.A.
<b>Stock Exchange Regulations</b>	Regulations for Stock Markets organised and managed by Borsa Italiana S.p.A.
<b>Issuer's Regulation</b>	The Regulation issued by CONSOB through Resolution 11971 of 14 May 1999 regarding issuers, as later amended and supplemented
<b>Market Regulation</b>	The Regulation issued by CONSOB through Resolution 16191 of 29 October 2007, as later amended and supplemented
<b>Related Parties Regulation</b>	The Regulation issued by CONSOB through Resolution 17221 of 12 March 2010, concerning related party transactions, as later amended and supplemented
<b>Report</b>	This report on corporate governance and the ownership structure pursuant to Article 123- <i>bis</i> of the TUF
<b>Internal Control and Risk Management System or SCIGR</b>	The set of tools, organisational structures, standards and business rules aimed at enabling the identification, measurement, management and monitoring of ENAV main risks, as described in this Report
<b>Subsidiaries</b>	The companies which are controlled by ENAV pursuant to Article 2359 of the Italian Civil Code and Article 93 of the TUF.
<b>Independent Auditors</b>	EY S.p.A.
<b>Articles of Association</b>	The Articles of association of ENAV
<b>Italian Consolidated Law on Finance or TUF</b>	Legislative Decree no 58 of 24 February 1998 as later amended and supplemented

## SECTION 1 - INFORMATION ON THE OWNERSHIP STRUCTURE

### 1. INFORMATION ON THE OWNERSHIP STRUCTURE

#### 1.1. Composition of share capital

As of the date of this Report, the subscribed and paid in share capital of ENAV is equal to €541,744,385.00 and consists of no. 541,744,385 ordinary shares without indication of the nominal value.

ENAV shares are non-divisible and every share confers one voting right. The shares are freely transferable.

ENAV has not issued other categories of shares or financial instruments that can be converted into or exchanged with shares.

For information on the structure of ENAV's share capital, please refer to the table in the Summary above.

#### 1.2. Major Shareholders

As of the date of this Report, based on the Company's share ledger and the communications received pursuant to Article 120 of the TUF and other information that has been received, no entity, with the exception of the Ministry of economy and finance ("MEF"), which holds 53.28% of the share capital<sup>3</sup> – holds more than 3% of ENAV's shares, whether directly or indirectly.

#### 1.3. Distribution of shareholder base

The following table shows ENAV's shareholders distribution by geographic region<sup>4</sup>:

Area/Region	percentage of share capital
<b>Italy (MEF)</b>	53%
<b>Italy (institutional + retail investors/employees)</b>	20%
<b>United States + Canada</b>	8%
<b>Australia</b>	5%
<b>United Kingdom + Ireland</b>	4%
<b>Rest of Europe + Switzerland</b>	6%
<b>Rest of the world and undisclosed</b>	5%

#### 1.4. Shares that confer special control rights

The Company has issued no shares that confer special rights.

#### 1.5. Employee stock ownership: mechanism applicable to voting rights

Article 137 of the TUF provides that the Articles of association of a company with listed shares may include provisions aimed at facilitating voting by means of proxy issued by the shareholders who are employees.

With a view to facilitating the involvement of this category of shareholders in the decisions making processes of the shareholders' meeting, the Articles of Association provides that, to favour collection of proxies from the shareholders, employees of the Company or its subsidiaries, who are associated to shareholders' associations that fulfil the requirements set forth by the applicable laws, spaces to be used for the communication and the collection of the proxies shall be provided to these

<sup>3</sup>Since 30 October 2017, following the allocation of the bonus shares by MEF to the retail investors and ENAV employees that have held shares 12 months from the date of assignment during the public offer.

<sup>4</sup>Data as resulting from the *shareholder ID* of October 2017. The table was prepared in accordance with the notices provided by law and the information available to the Company.

associations, according to the terms and procedures agreed from time to time with their legal representatives.

As of the date of this Report the Company has received no notification regarding the establishment of an association of such employees shareholders.

#### 1.6. Restrictions on voting rights

ENAV Articles of Association provides, as required by Article 3 of Legislative Decree 332 of 31 May 1994, converted with amendments into Law no. 474 of 30 July 1994, a limit to share ownership which results in an equity interest exceeding 5% of ENAV's share capital. This provision does not apply to the equity interest held by the MEF, by public entities or by entities controlled by the latter.

Such limitation does not prevent holding shares in an amount higher than the threshold indicated, but restricts the exercise of the administrative rights inherent in the shares held in excess of the maximum limit of 5%, which cannot be accordingly exercised.

Therefore, if the maximum limit of the shareholding is exceeded by several entities/individuals, the voting right that would accrue to each party that the shareholding limit with regard to the interest held applies to will be reduced proportionally, save for previous indications provided jointly by the interested parties.

In the event of non-compliance, the resulting resolution can be challenged pursuant to applicable law, if the required majority would not have been reached without the votes in excess of the maximum limit indicated above. Shares in respect of which the voting right cannot be exercised are nevertheless calculated for the purposes of the regular constitution of the Shareholders Meeting.

The aforementioned limit of 5% will lapse if it is exceeded as a result of a takeover bid provided that the offeror holds, as a result of the bid, an interest of at least 75% of the share capital with voting rights in connection with the resolutions referring to the appointment or revocation of the members of the Board of Directors or of the executive or supervisory body.

#### 1.7. Powers of the Italian State

The Company is subject to Law Decree no. 21 of 15 March 2012, converted with amendments into Law 56 of 11 May 2012 ("Legislative Decree 21/2012"), concerning special powers of the State (the so-called *golden powers*) which refers to strategic assets in the (i) energy, transportation and communications and (ii) defence and national security sectors. In particular, the adoption of specific corporate resolutions by the Company or the purchase of specific significant equity interests in the share capital of ENAV could be limited by these special powers.

The aforementioned regulation gives the State the power of (a) **vetoing** the resolutions, acts and operations that - due to their resulting in amendment of the ownership, control or availability of the assets themselves or in the change in their application - give rise to an exceptional situation, which is not governed by national and European legislations, seriously threatening the public interests in the areas of safety and operation of networks and installations and the continuity of supplies; b) **conditioning** the effectiveness of a purchase of any type - by a non-European Union entity - of interests of such significance as to result in the permanent establishment of the purchaser as a result of the interests that were acquired through acquisition of control of the company, pursuant to Article 2359 of the Italian Civil Code and Article 93 of the TUF, if this purchase seriously threatens the public interests in the areas of safety and operation of networks and installations and the continuity of supplies, requiring that entity to make commitments ensuring the protection of these interests; and c) **opposing** an acquisition referred to under point (b) above, if it involves exceptional risks for the protection of the public interest and the operation of the networks and installations and the continuity of supplies, which cannot be eliminated even if the entity commits to ensuring the protection of such interests.

Moreover, ENAV holds certain assets which are strategic assets in the area of defence and national security and, therefore, is subject to Article 1 of Legislative Decree 21/2012 and the relevant implementing provisions.

This means that the State, if there is an actual threat of serious prejudice to the essential interests of national defence and security can (i) **impose** specific conditions relative to the security of the supplies, the security of the information, the technological transfers, the control of exports in the

event of purchase, based on any rights, of equity investment in these companies; (ii) **veto** the adoption of resolutions by the Shareholders' Meeting or the boards of these companies, which refer to the merger or spin-off of the company, the transfer of the company or units thereof or of subsidiaries, the transfer of the registered office abroad, a change in the corporate purpose, the dissolution of the company, amendment of any statutory clauses adopted pursuant to Article 2351, paragraph 3 of the Italian Civil Code, or introduced pursuant to Article 3, paragraph 1 of Legislative Decree 332/1994, assignment of or usage of tangible or intangible fixed assets or the undertaking of restrictions that condition their use; and (iii) **oppose** the acquisition, based on any rights, of interests in such companies by an entity other than the Italian State, Italian public entities or entities controlled by the latter, if the purchaser will hold, directly or indirectly, including through subsequent acquisitions, through a third party or entities that are otherwise connected, a level of equity in the capital with voting rights able to specifically compromise national defence and security interests.

In consideration of the strategic nature and social significance of the activity conducted by ENAV, the Decree of the Chairman of the Council of Ministers issued on 10 June 2016, with which assent was expressed to the listing of ENAV shares on the MTA, required the Company to identify, prior to completion of the process, the governance instruments protecting the integrity of the information, with adoption of appropriate internal measures of an organisational nature setting forth the discipline regarding the confidentiality obligation, in order to safeguard access and confidentiality of the sensitive data in the interests of national security.

To this end, it is hereby specified that the Company has in place measures aimed at disciplining the confidentiality obligation and safeguard access to and confidentiality of the sensitive data for national security purposes. Specifically, the Company has an Internal Security Regulation governing the functioning of the Central Security Body of ENAV – functionally dependent from the Presidency of the Council of Ministers - in order to ensure administrative protection of State secrets and of classified information with restricted disclosure as well as the security clearances for access to this information, which are subject to compliance with the requirements of Law 124/2007 and the implementing provisions thereto including, in particular, Decrees of the President of the Council of Ministers, No. 5 of 6 November 2015, and No. 3 of 2 October 2017. The aforementioned Internal Security Regulation is constantly updated and subject to the approval of the Chairman of the Council of Ministers, through the Security Information Department - Central Secrecy Office - and the Safety Organization of ENAV develops and updates the processes of protection of national security interests in relation to the entire perimeter of the activities of the Group.

#### **1.8. Shareholder agreements**

As of the date of this Report no shareholders' agreements pursuant to Article 122 of the TUF are in place.

#### **1.9. Change of control clauses in significant agreements and provisions of the Articles of association regarding takeover bids**

Below is a description of the significant agreements entered into by ENAV or by the subsidiary companies, which become effective, are amended or expire in the event of a change of control of the contractor Company, with description of the related effects.

##### **a) Loan from the European Investment Bank**

In October 2014, the EIB, European Investment bank (hereinafter the " Bank" or " EIB") granted a line of credit totalling €250 million to finance the development and execution of a series of investments connected to air traffic control services, of which €180 million will be contracted directly and €70 million will eventually be brokered through the banking system.

On 5 December 2014, a contract with the EIB was concluded for the amount of Euro 180 million, used in two subsequent *tranches*: the first, for an amount of €100 million, provides for a duration of 15 years (expiring on 19 December 2029), with a grace period of four years ; the second, amounting to €80 million, provides for a duration of 15 years (expiring on 12 December 2032), with no grace period.

On 12 October 2016, a direct contract was also concluded for the residual credit line of €70 million which, under the same conditions, is available until 1 October 2019, with a duration of the line of 16 years.

In both contracts with the EIB, the Company has committed to immediately informing the Bank in the event of an actual or imminent change of control which refers to the Company itself. At any time following a change of control, by means of a communication to the Company, the Bank may cancel the portion of the loan that has not been drawn and request early repayment of the amounts that have been drawn, together with the interest that has accrued and any other amount that has accrued or is due pursuant to the loan contract.

A change of control will take place in the cases below:

- (i) an entity or group of entities, acting together, acquire control of the Company; or
- (ii) the Italian State no longer controls the Company.

"Acting together" means acting in coordination to execute an agreement or understanding (whether official or not) and "control" means the power to define the management and policies of a Company, whether through the holding of capital with voting rights, through a contract, or otherwise.

#### **b) Loans with UniCredit**

In 2008, ENAV signed two contracts with UniCredit Corporate Banking S.p.A. (now UniCredit S.p.A.) pursuant to which loans of a maximum total amount of capital of €100 million and €40 million were granted. Both loans have a duration of 60 months (five years) from the date the relative contracts are concluded, with full repayment upon expiration ("bullet"), except if the Company exercises the option, contractually allowed, to extend the duration of the loans for an additional 60 months. On 30 June 2013, the Company exercised the above-mentioned extension option, extending the duration of the loans for an additional five years following which the €100 million loan will expire on 30 June 2018 and the €40 million loan will expire on 30 November 2018.

The aforementioned contracts provide for early repayment of loans in the event of a change of control, resulting from a decrease in the direct or indirect participation of the MEF in the Company with loss of control of the voting right in ordinary and extraordinary shareholders' meetings and, in any case, the loss of control over the Company by the MEF.

#### **c) Loan from Banca del Mezzogiorno – Medio Credito Centrale S.p.A.**

In May 2013, ENAV signed a loan with Banca del Mezzogiorno - Medio Credito Centrale S.p.A. for an amount of €10 million with expiration on 31 May 2018. The loan contract provides that the Company will repay the loan in five years, of which the first two years are the pre-amortisation period. Therefore, the loan will be repaid in six consecutive monthly instalments, payable without interruption pursuant to the repayment plan. The loan contract also provides that until total extinguishment of all the credit related commitments to the lending bank relative to the loan, the Company shall be required to provide the bank with the information and documentation required for or useful to the monitoring of the evolution of ENAV's corporate status, including information on any changes to the shareholding structure.

#### **d) Bond issue placed via private placement in 2015**

In August 2015, ENAV issued a senior unsecured bond reserved to institutional investors for a total of €180 million (the "Bond Issue"). The Bond Issue was placed through a private placement and the bonds are listed on the Luxembourg Stock Exchange. The Bond Issue was placed at an issue price equal to 100% of the nominal value of the bonds and provides for full repayment of the capital on 4 August 2022.

Settlement of the Bond Issue also provides the holders of the loan the option of requesting early repayment of the bonds at 101% of their nominal value and payment of unpaid interest accrued in the event of a change of control, i.e. the case in which an entity other than the Italian State, its



Ministries (including the MEF) or entities or companies which are directly or indirectly controlled by it and its Ministries, holds control of the Company.

“Control” means:

- (i) in relation to an individual, which is a company, or a joint stock company:
  - (a) the power (whether in terms of ownership of shares, power of attorney, contracts, an agency agreement or otherwise) to: (1) exercise, or control the exercise of, more than ½ of the maximum number of votes that can be expressed in the shareholders' meeting by that individual; or (2) appoint or remove all or most of the members of its Board of Directors (or another equivalent body); or (3) issue indications relative to the operation and economic policies of that entity, which must be complied with by all or most of the members of its Board of Directors (or other equivalent body); or
  - (b) the ability to exercise a dominant influence (pursuant to Article 2359 of the Italian Civil Code) on that individual or a company that controls such individual, by virtue of the voting rights expressed in a shareholders' meeting or equivalent body), or by virtue of contractual relations;
- (ii) in relation to any other person (other than a company or a joint stock company), the possession, whether directly or indirectly, of the power to manage or control the policies of that individual, whether through ownership of the voting rights, a contract or by other means.

**e) “Committed” credit line with BNL – BNP Paribas Group**

In December 2016, ENAV signed a loan contract with BNL-BNP Paribas Group (the "Bank") for €70 million, beginning 1 January 2017 and with a duration of 18 months minus 1 day (renewable for the same period of time) that can be used by the borrower ENAV on a rotating basis.

Among other things the contract provides that in the event an entity or group of entities other than a qualified shareholder obtains control of the Company (hereinafter Change of Control), the Company shall immediately inform the Bank.

In relation to the Company, a qualified shareholder is the MEF.

If within 20 days from the communication, the Bank reasonably believes that such Change of Control could have a substantially harmful effect, it will immediately inform the Company, which shall immediately proceed to repay the entire amount of the loan outstanding within 30 days.

**Passivity rule and neutralisation rules**

The Articles of Association do not provide for derogations from the passivity rule pursuant to Article 104, paragraphs 1 and 1-*bis* of the TUF and do not provide for application of the neutralisation rules under Article 104-*bis*, paragraph 2 and 3, of the TUF.

**1.10. Authorisation to increase the share capital and purchase treasury shares**

As of the date of this Report, the Board of Directors has not been authorised to increase the share capital pursuant to Article 2443 of the Italian Civil Code, nor can it issue other equity financial instruments.

The 2017 Shareholders' Meeting authorised the purchase and disposal of treasury shares pursuant to Article 2357 of the Italian Civil Code, up to a maximum of 850,000 common shares, also in order to implement the 2017-2019 Performance share plan, as per the Prospectus drafted pursuant to Article 84-*bis* of the Issuers' Regulations and approved by the same Shareholders' Meeting. The authorisation for the purchase of treasury shares was granted for a period of 18 (eighteen) months starting as of the shareholders' meeting resolution. At the date of this Report, the Board of Directors, and for it the Chairman and the Chief Executive Officer severally, can make purchases in one or more instalments and at any time, to the extent and at times in compliance with the Shareholders' Meeting resolution of authorisation and to applicable regulations, including at European level, and market practices permitted, in force at any given time. Based on the aforementioned authorization, the purchases can be made at a price that is not more than 20% higher or lower than the average price recorded by the shares in the stock market sessions in the five days prior to each individual

transaction or at the date the price is set and, in any event, where the purchases are made on regulated markets, for an amount that cannot be higher than the highest amount between the price registered in the latest independent transaction and the current highest independent purchase offer price on the same market, in compliance with the provisions of Article 3 of EU Delegated Regulation 2016/1052. The authorisation also provides that the purchases will be carried out in accordance with the provisions of Article 132 TUF, Article 144-*bis* of the Issuers' Regulation and any other applicable regulations, as well as the market practices permitted by Consob, namely: (a) by public tender or exchange offer; (b) on regulated markets in accordance with the operating methods established by Borsa Italiana S.p.A., which do not allow the direct combination of purchase trading proposals with pre-determined sales trading proposals; (c) with any additional procedures established by market practices permitted by Consob.

As of the date of this Report, the Company does not hold treasury shares.

In occasion of the Shareholders' Meeting to be convened to approve the 2017 financial statements, the Company shall submit to the shareholders' meeting the proposal to resolve, subject to revocation of the above-mentioned authorisation, on the authorisation for the purchase and disposal of treasury shares pursuant to Article 2357 of the Italian Civil Code, subject to the terms and conditions set forth in the relevant resolution proposal.

#### **1.11. Management and coordination activities**

ENAV is not subject to the management and coordination of the MEF pursuant to Article 2497 of the Italian Civil Code, as provided by Article 19, paragraph 6, of Legislative Decree 78 of 1 July 2009 (converted into law a 102 of 3 August 2009), which clarified that the rules contained in the Italian Civil Code regarding the management and coordination of companies do not apply to the Italian State.

#### **1.12. Compensation payable to Directors in the event of resignation, dismissal or termination of office following a takeover bid**

For information on the compensation payable to Directors and the effects of the termination of office, please refer to the Remuneration Report drafted pursuant to Articles 123-*ter* of the TUF and 84-*quater* of the Issuers' Regulation, published on the Company website [www.enav.it](http://www.enav.it), and available through the other means provided for by applicable laws.

#### **1.13. Appointment and replacement of Directors and changes to the Articles of Association**

For information regarding the appointment and replacement of Directors, please see paragraph 3.2 of this Report.

Amendments to the Articles of Association are adopted by the Company's extraordinary Shareholders' Meeting with the majorities required by law.

Notwithstanding the above, Article 17 of the Articles of Association attribute the power to the Board of Directors to decide, among other things, on changes to the Articles of Association that are expressly required by provisions of law.

## 2. *COMPLIANCE*

ENAV adheres to the Code of Conduct, as it believes that compliance of ENAV's corporate governance with international best practices that the Code of Conduct is inspired to, is a fundamental prerequisite for achievement of the Company's objectives.

The Code of Conduct is available on the website of Borsa Italiana: <http://www.borsaitaliana.it/borsaitaliana/regolamenti/corporategovernance/codice2015.pdf>.

The Company is not subject to foreign provisions of laws influencing its corporate governance structure.

## SECTION II - STRUCTURE OF THE CORPORATE GOVERNANCE SYSTEM ADOPTED BY THE COMPANY

### 3. BOARD OF DIRECTORS

#### 3.1. Composition of the Board of Directors

The Board of Directors is the central body of the corporate governance system and is vested with the broadest powers for the ordinary and extraordinary management of the Company. The Articles of Association provide that ENAV is managed by a Board of Directors composed of not less than five and not more than nine members and indicates the Shareholders' Meeting as the body responsible for determining such number, within the limits stated above.

The members of the Board of Directors shall remain in office for a period not exceeding three years which will expire on the date of the Shareholders' Meeting convened for approval of the financial statements for the last year of their office.

The 2017 Shareholders' Meeting has:

- determined the number of members on the Board of Directors in nine, rather than seven as in the previous mandate;
- appointed the Board of Directors, in the persons of Roberto Scaramella (Chairman), Roberta Neri, Giuseppe Acierno, Maria Teresa Di Matteo, Nicola Maione, Fabiola Mascardi, Carlo Paris, Antonio Santi and Mario Vinzia;
- appointed Roberto Scaramella as Chairman of the Board of Directors;
- determined the term of office in three years, until the date of the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2019.

Roberto Scaramella, Roberta Neri, Giuseppe Acierno, Maria Teresa Di Matteo, Nicola Maione and Mario Vinzia were elected on the basis of the list submitted by the shareholder MEF. Shareholders representing 75.79% of the share capital participated in the vote and the list was voted by the majority of the shareholders who attended the Meeting and, precisely, by 70.41% of the share capital present at the Shareholders' Meeting, equal to 53.37% of the share capital.

Fabiola Mascardi, Carlo Paris and Antonio Santi were elected on the basis of the list submitted by institutional investors. Shareholders representing 75.79% of the share capital participated in the vote and the list was voted by the majority of the shareholders who attended the meeting – precisely, by 29.50% of the share capital present at the Shareholders' Meeting – equal to 17.76% of the share capital.

The Board of Directors thus appointed, at its meeting on 4 May 2017, appointed Roberta Neri as Chief Executive Officer of ENAV.

In the early months of 2017 and until the 2017 Shareholders' Meeting, the Board of Directors was composed of Ferdinando Franco Falco Beccalli, as Chairman, and Roberta Neri, Maria Teresa Di Matteo, Nicola Maione, Alessandro Tonetti, Stefano Siragusa and Mario Vinzia, appointed respectively as follows:

- the Shareholders' Meeting of 19 September 2014 had appointed as members of the Board of Directors Maria Teresa Di Matteo, Nicola Maione and Alessandro Tonetti for the three-year period from 2014-2016, expiring from office upon approval of the 2016 financial statements. The same Shareholders' Meeting appointed Maria Teresa Di Matteo to chair the Board of Directors.
- On 30 June 2015, the Shareholders' Meeting resolved to increase the number of the members of the Board of Directors to 5, appointing Ferdinando Franco Falco Beccalli, as Chairman, and Roberta Neri, expiring from office upon approval of the 2016 financial statements. On 7 July 2015, the Director Roberta Neri was appointed as Chief Executive Officer of the Company;
- on 29 April 2016, in order to supplement the Board of Directors ahead of the listing of the ENAV shares on the *Mercato Telematico Azionario*, the Shareholders' Meeting resolved to expand the number of Directors to 7, appointing the Directors Stefano Siragusa and Mario Vinzia, expiring from office upon approval of the 2016 financial statements.

The table below shows the most important data on the composition of the Board of Directors in office, highlighting, among other things, the lists from which the members of the Board of Directors in possession of independence requirements under the TUF and the Corporate Governance Code were drawn:

DIRECTOR	OFFICE	ROLE	Independence	M/m	CCRRP	CRN
<b>Roberto Scaramella</b>	Chairman	Non-executive	TUF	M		
<b>Roberta Neri</b>	Chief Executive Officer	Executive	N.A.	M		
<b>Giuseppe Acierno</b>	Director	Non-executive	TUF/Corporate Governance Code	M		C
<b>Nicola Maione</b>	Director	Non-executive	TUF/Corporate Governance Code	M	P	
<b>Fabiola Mascardi</b>	Director	Non-executive	TUF/Corporate Governance Code	m		C
<b>Maria Teresa Di Matteo</b>	Director	Non-executive	-	M		C
<b>Carlo Paris</b>	Director	Non-executive	TUF/Corporate Governance Code	m		P
<b>Antonio Santi</b>	Director	Non-executive	TUF/Corporate Governance Code	m	C	
<b>Mario Vinzia</b>	Director	Non-executive	-	M	C	

CCRRP: Control, Risks and Related Parties Committee. CRN: The Appointments and Remuneration Committee; **M**: Majority list; **m**: minority lists; **P**: Chairman; **C**: Member.

As of the date of this Report, 5 ENAV Directors out of 9 are independent both in accordance to the TUF and the Corporate Governance Code requirements. The composition of the Board of Directors complies with current regulations regarding gender balance.

Below is a summary of the personal and professional information referring to the individual members of the Board of Directors.

#### **Roberto Scaramella**



**Role: Chairman**

**List: majority**

**Participation in committees: N/A**

**Number of positions held in other relevant companies in accordance with the policy on maximum number of posts in administrative or controlling bodies: 0**

Since April 2017 he has been Chairman of the Board of Directors, with the powers provided by law and the Articles of Association and functions of impulse and for monitoring on the operation thereof. With resolution of 4 May 2017, the Board of Directors also granted the Chairman the powers for supervision of internal audit activities and, together with the Chief Executive Officer,

the responsibility of managing national and international institutional relations. The Chairman, in agreement with the Chief Executive Officer, also handles external communication activities and relations with national and foreign media.

He graduated with honours in Chemical Engineering from the University of Naples, Federico II and started his career in Procter & Gamble, where from 1991 to 2001 he held various positions of responsibility in the fields of Research & Development and in the Engineering and Product Supply Department.

Starting from 2001 and until 2010 he was Partner and Vice President at Bain & Company Italy, with responsibilities as leader of the Air Transportation Practice in Europe, Middle East & Africa and member of the practices Industrial Goods and Services, Healthcare, Organization. From 2010 to 2014 he joined AKFED (the Aga Khan Fund for Economic Development) in the capacity of Director of Business Aviation based in Paris; as such, he served as Board member for Meridiana Holding, Geasar, Meridianafly, Air Italy, Air Uganda, Air Mali, Air Burkina and Air Cote d'Ivoire. In particular, from 2013 to 2014 he was CEO of Meridiana Airlines (Meridianafly and Air Italy)

In 2014 Roberto Scaramella started up EsseK, a board advisory and private equity company at which he currently holds the position of CEO.

From 2015 to 2017 Mr. Scaramella acted as CEO of ALA – Advanced Logistics for Aerospace, and as a member of the Board of Directors of the ALA subsidiaries: Aerolyusa Inc., Westbury Inc., Aere spa, Stag Ltd, Spectech Ltd, Spectech SAS. Since 2007 he sits in the board of Altranapoli ONLUS.

## Roberta Neri



**Role: Chief Executive Officer**

**List: majority**

**Participation in committees: N/A**

**Number of positions held in other relevant companies in accordance with the policy on maximum number of posts in administrative or controlling bodies: 2**

Already Chief Executive Officer of ENAV as from June 2015, by resolution of 4 May 2017, she was confirmed in such office for the current mandate. At the meeting held on 4 May 2017, the Board of Directors resolved to attribute the Chief Executive Officer all the powers for the ordinary and extraordinary management of the Company, excluding only those otherwise reserved at law or by the Articles of Association, or those reserved to the Board based on the mentioned resolution.

Graduated in Business and Economics at Rome's "La Sapienza" University, she began her career 1989 with Italsiel - Società Italiana Sistemi Informativi Elettronici - S.p.A., where she was involved in analysis, planning and realisation of projects for management information systems within corporate processes.

Subsequently, she continued her career in ACEA S.p.A., handling budget, control and strategic planning up to holding the position of Chief Financial Officer.

While in ACEA S.p.A., she was a member of the boards of directors of Acea Ato 2 S.p.A., Pubbliacqua S.p.A., Aceaelectrabel S.p.A., Aceaelectrabel Produzione S.p.A. and Aceaelectrabel Trading and Tirreno Power. Since 2009, she has been a member of the Board of Directors of Manesa S.r.l., (which was subsequently merged by incorporation into Byom S.r.l.) which provides technical/financial and co-investment advisory services to financial and industrial investors for structured transactions, initially as Chairman and Chief Executive Officer and as director from 2015. From 23 April 2015 and until April 2017 she has been a member of the board of directors of Acea S.p.A., chairman of the control and risks Committee and member of the related party transactions committee and of the appointments and remuneration committee. She has been a director of Sorgenia S.p.A. since 27 March 2015. From 1 September 2015, she was also a member of the board of directors, as well as a member of the related parties and control, risks and corporate governance committees of Autostrade Meridionali S.p.A. Since April 2017 she is a member of the board of directors of Cementir

Holding S.p.A. As of August 2015, she is the Chairman of the Board of Directors of Techno Sky . As of July 2017 she is member of Aireon LLP Board of Directors.

### Giuseppe Acierno



**Role: Director**

**List: majority**

**Participation in committees: Member of the RN Committee**

**Number of positions held in other relevant companies in accordance with the policy on maximum number of posts in administrative or controlling bodies: 0**

Graduated in Law, he has held numerous public and management positions in important Italian companies. From February 2009 he has been the President of the Distretto Tecnologico Aerospaziale DTA S.c.ar.l.

He is also Chairman of the Apulian aerospace production district since 2008 and a member of the Foundation's governing body ITS Aerospace Puglia since 2009. Since 2013, he has been a member of the governing body for National Aerospace Technology Cluster. Since 2014 he has been a member of the remote-control aircraft technical table. Since 2016 he has also been President of the 2016-2025 tourism strategic plan infrastructure section of the Puglia region.

Until January 2017 he was Chief Executive Officer of the 4 Puglia Airports. His past professional experiences include: President of the National Aerospace Technology Cluster (2012-2013) and a member of the Advisory Board Foundation "ITS Aerospace Puglia" (2011-2013); Director of Cittadella della Ricerca S.c.p.a. with responsibilities as head of development and external relations (2008-2011); Executive Director Province of Brindisi with responsibilities as Chief of Cabinet (2004-2008); Provincial Police Director of Brindisi (2008); Director of IPRES - Apulia Economic and Social Research Institute (2008-2009); URPP Collaborator (Regional Union of the Provinces of Puglia) (2004 – 2008); President CTS For Fly - human resources training at Alenia Grottaglie settlement (2007 – 2008); Member of the Technical Committee Puglia Region Finmeccanica framework agreement (2005 – 2008); Secretary of the President's Office of the permanent consultation forum between the provinces of Brindisi, Lecce and Taranto (2006); Head of external relations – Assistant to the President – General Affairs Manager Pastis CNRSM INSTITUTE (2001-2004).

Since 28 April 2017 he has been a member of the Board of Directors of ENAV S.p.A. and since 4 May 2017 is a member of the RN Committee of ENAV.

### Maria Teresa Di Matteo



**Role: Director**

**List: majority**

**Participation in committees: Member of the RN Committee**

**Number of positions held in other relevant companies in accordance with the policy on maximum number of posts in administrative or controlling bodies: 0**

Graduated in Law from "La Sapienza" University of Rome, she has experience in local rail roads, contracts, the transfer of functions to local entities and the operation of peripheral administrative offices. As administrative manager, she managed the office supporting the Department Head of land transport from 2003, handling, among other things, economic-financial management, organisation and management of human resources. She has been Deputy Head of Cabinet of the Ministry of Transport and Infrastructure for issues concerning the transport sector since November 2011, a position she holds to date. From 5 July 2012, she was appointed general manager with consulting and research duties of the Department of Transportation, navigation and information and statistics and subsequently, effective 7 November 2014, she was appointed to the top management of the central committee for Hauliers, a position she continues to hold. She sat on the Board of Directors of the Ferrovie dello Stato from 9 August 2012 until 29 May 2014.

From 19 September 2014 until 30 June 2015 she was the Chairman of the Board of Directors of ENAV; she has been a Director of ENAV since 19 September 2014; formerly she sat on ENAV's

Remuneration Committee from 7 July 2015 and was a member of the former Remuneration and Appointments committee since 26 July 2016.

Since 4 May 2017, she has been a member of the RN Committee of ENAV.

### Nicola Maione



**Role: Director**

**List: majority**

**Participation in committees: Chairman of the CRPC Committee**

**Number of positions held in other relevant companies in accordance with the policy on maximum number of posts in administrative or controlling bodies: 1**

Graduated in Law from “La Sapienza” University of Rome, he is a barrister to the Supreme Court (*Corte di Cassazione*). He has extensive academic experience in civil and commercial law and is the author of numerous publications. He held positions as Bankruptcy Trustee, Government Commissioner and Liquidator of cooperatives, Judicial Commissioner under Legislative Decree 270 dated 8 July 1999 and member, as an expert of the Oversight Committee of the Bernardi Group S.p.A, of Go Kids S.r.l. and the NUOVA SOFIA S.r.l. under Extraordinary Administration. He is a legal advisor in significant corporate restructuring operations, bankruptcy proceedings and for corporate groups under Extraordinary Administration. He is President of the supervisory body of a primary finance company. Formerly Director of Milano Assicurazioni S.p.A. and Prelios Credit Servicing S.p.A. Since December 2017 he has been a member of the Board of Directors of Banca Monte dei Paschi di Siena S.p.A.

Since 19 September 2014 he has sat on the ENAV Board of Directors.

Formerly a member of the ENAV Remuneration and Appointments Committee and Risk and Control and Related Parties Committee, on 4 May 2017 he was confirmed as Chairman of the CRRP Committee of ENAV.

### Fabiola Mascardi



**Role: Director**

**List: minority**

**Participation in committees: Member of the RN Committee**

**Number of positions held in other relevant companies in accordance with the policy on maximum number of posts in administrative or controlling bodies: 1**

Graduated in Law and with a PhD in International Law, she is currently President of IREN Ambiente S.p.A. and member of the Board of Directors of IREN S.p.A., a listed multiservice Company active in the fields of production and distribution of electricity and district heating, gas distribution, integrated water cycle and in the collection and disposal of waste. She is also a member of the board of directors of Carlo Felice Opera House and of the Istituto Superiore di Studi of the University of Genoa. Finally, she is a consultant in communication, international relations and business development; in that capacity she serves as head of external relations and communications of the NOKA group, operating in nanotechnology applied to energy efficiency.

Professor of Economics of *utilities* at the engineering department, management major, at the University of Genoa since 2001, she collaborates with the University Roma 2 Tor Vergata, where she is a Professor of Law and Transport Policy in the context of the Antitrust and Market Regulation Masters; since 1986, she has taught at various Universities, including the University Bocconi.

She speaks English, French, Spanish and German. As an Administrator at the Court of Justice of the European Union and the European Commission from 1992 to 2003 she was a member of the task force for mergers, for legal service, of commissioner Monti's cabinet and of the cabinet of the vice-president of the Loyola de Palacio Commission, where she held the position of head of European



transport policy. In the Industrial Group Finmeccanica from 2003 to 2006 she was responsible for EU relations. From 2006 to 2012 she was Director of external relations of Ansaldo Energia.

Since 28 April 2017 he has been a member of the Board of Directors of ENAV S.p.A. and since 4 May 2017 is member of the RN Committee of ENAV.

### Carlo Paris



**Role: Director**

**List: minority**

**Participation in committees: Chairman of the RN Committee**

**Number of positions held in other relevant companies in accordance with the policy on maximum number of posts in administrative or controlling bodies: 0**

Graduated with honours in Mechanical Engineering from "La Sapienza" University of Rome, he holds a Master's degree in Business Administration from the American University in Washington DC; an Executive Masters in Social Entrepreneurship and a Master's in non-profit corporations management from the Milan Università Cattolica; a Masters in *Professional Coaching*, plus numerous courses of Neurolinguistic Programming, Counselling and executive seminars in financial matters.

Since December 2017, he has been Chairman of the Board of Directors of Cantieri Generali S.p.A.

From January 2015, until May 2017, he was Chief Executive Officer and a Director on the Board of Investimenti S.p.A. (parent holding Fiera di Roma). In 1984, he was economic advisor at the U.S. Department of the Interior for importing coal into the United States from Colombia. From 1985 to 2003, he held numerous positions in *The Chase Manhattan Bank*, in the Banca Nazionale del Lavoro group and the UniCredit Group. At Chase, he began his career in finance, between Rome and London, specialising in financial and credit analysis, *corporate finance* and *private equity*. At BNL, he handled *merchant banking* and foreign holdings, financial and organisational analysis and internal auditing, in Germany, Canada, Argentina, Brazil, India and Luxembourg. At UniCredit, he worked in Corporate Finance in UBM Bank; Head of Private Equity in UniCredit Imprese; Chief Executive Officer of Credit Merchant and member of the Board of Directors in various investment holdings. He was *advisor* at Vegagest Sgr for private equity fund management; founder and CEO of Paris & Partners, specialising in internationalisation; founder and CEO of Argy Venture Capital and co-founder with UniCredit of Aurora Private Equity S.A., a closed-end start up Fund he was also *advisor* of.

Since 28 April 2017 he has been a member of the Board of Directors of ENAV S.p.A. and from 4 May 2017 is Chairman of the RN Committee of ENAV.

### Antonio Santi



**Role: Director**

**List: minority**

**Participation in committees: Member of the CRPC Committee**

**Number of positions held in other relevant companies in accordance with the policy on maximum number of posts in administrative or controlling bodies: 1**

Graduated in Economics and Commerce from the University of Rome - La Sapienza, with a PhD in Business Administration conferred in 2009 from the Università degli Studi Roma 3, since December 2006 he is registered in the Register of the Association of Chartered Certified Accountants and since April 2007 in the Register of Auditors.

He provides consulting *inter alia* on the assessment of companies and business units - both public and private - preparation of business plans and restructuring plans. During his professional career he has developed substantial expertise in account auditing and supervision by corporate control bodies.

He is statutory auditor and independent auditor in companies that operate in various sectors: he is independent auditor of CONI, chairman of the board of statutory auditors of Recordati S.p.A., a company listed on the Italian Stock Exchange, and for Acea Produzione S.p.A. He is a standing auditor, *inter alia*, of Acea Liquidation and Litigation S.r.l. and Asscom Insurance Brokers.

Since 28 April 2017 he has been a member of the Board of Directors of ENAV S.p.A. and since 4 May 2017 is part of the CRRP Committee of ENAV.

## Mario Vinzia



**Role: Director**

**List: majority**

**Participation in committees: Member of the CRPC Committee**

**Number of positions held in other important relevant companies in accordance with the policy on on maximum number of posts in administrative or controlling bodies: 0**

Graduated in Business Administration at Bocconi University of Milan.

He is professor at the Accounting, Control, Corporate and Real Estate Finance Department at the SDA School of Management at Bocconi University, where he teaches as of 1988 on corporate finance, management of financial risks, financial planning, company evaluation and IAS/IFRS matters.

He is the author of numerous books and publications on financial matters.

As from 2006, he has been Head of Finance and Control at Eniservizi S.p.A.. Previously, between 2003 and 2006 he was Head of Corporate Finance of Snamprogetti S.p.A., and Director of Finance and Administration of Il Sole 24 ORE S.p.A. (1997-2003), Financial Director of Bull HN Information Systems Italia S.p.A. (1991-1997), Group Treasurer of Zambon Group S.p.A. (1989-1991), Manager of low interest financing at Ciba-Geigy S.p.A. (1986-1989).

He also sat on the board of 24 ORE International S.A.

He consults, primarily in civil and penal proceedings, with regard to derivatives and financial instruments in general and international accounting standards and treatments.

He has been a member of the Board of Directors of ENAV since 29 April 2016. Already a member of the former CRRP Committee of ENAV since 26 July 2016, he has been confirmed as a member of such Committee.

### 3.2. Appointment and Replacement

The office of Director is subject to possession of requirements of integrity and professionalism as provided by the law, the regulatory and legislative provisions in effect and by Article 11-*bis*.1 of the Articles of Association.

Directors are appointed by the shareholders' meeting based on slates presented by the shareholders, in which the candidates must be listed using consecutive numbers.

Only shareholders who alone or together with other shareholders represent at least 2.5% of the share capital or the percentage established by Consob through its own regulation, which was, for 2018, 1% of the share capital of ENAV, are entitled to submit slates (see CONSOB resolution no. 20273 of 24 January 2018). Each slate must contain at least two candidates who possess the requirements of independence who must be mentioned distinctly and one of whom must be placed first on the slate. Slates with a number of candidates that is equal to or higher than three must include candidates of a different gender, as indicated in the notice of call to the shareholders' meeting, so as to ensure that the composition of the Board of Directors is compliant with the applicable laws on balance between genders.

On penalty of inadmissibility, the slates must be drawn up and submitted to the registered office and published in compliance with the applicable laws and the provisions of the Articles of Association.

Each shareholder may submit and participate in the submission of only one slate. Controlling parties, subsidiaries and companies subject to joint control are not entitled to submit slates or contribute to submitting other slates or vote for them, including through an intermediary or a trust company, where subsidiaries are the companies indicated pursuant to Article 93 of TUF as applicable from time to time or as eventually replaced. Each candidate may be included in one slate only, under penalty of ineligibility. The *curriculum vitae* of each candidate must be submitted together with each slate upon penalty of inadmissibility as must the declarations with which the individual candidates accept their candidacy and certify, under their own responsibility, that there are no causes for ineligibility or incompatibility, while they possess the requirements of integrity, professionalism and eventually independence as prescribed by the applicable laws for their respective offices. The Directors who are appointed must immediately inform the Board of Directors if they no longer meet any of the requirements indicated, as well as of the occurrence of any causes for ineligibility or incompatibility. Each person entitled to vote shall vote for only one slate.

If during the course of the year, one or more directors cease to hold office, the provisions set forth under Article 2386 et seq. of the Italian Civil Code shall apply. If one or more of the departing Directors was taken from a slate containing names of candidates that were not elected, replacement will take place with the appointment, in progressive order of persons from the slate the departing director was listed on, provided that they are still eligible and willing to accept the office. In any case, the Directors no longer in office will be replaced by the Board of Directors in such a manner as to ensure the presence of the necessary number of Directors that possess the requirements of independence and ensuring compliance with the applicable laws on gender balance. If the majority of directors appointed by the Shareholders' Meeting ceases to hold office, the entire Board of Directors will be deemed to have resigned and a shareholders' meeting will have to be called immediately by the directors still in office in order to reconstitute the Board.

### 3.3. Requirements of integrity and professionalism and reasons for ineligibility and incompatibility of Directors

Directors must fulfil the requirements of integrity and professionalism set by the law, by the applicable regulations and by the Articles of Association.

In particular, pursuant to Article 11-*bis*.1 of the Articles of Association:

- 1) Directors must be selected according to criteria of professionalism and competence from persons who have experience of at least three years in:
  - a) activities involving administration or control or management within companies,

- b) professional activities or the teaching of legal, economic, financial or technical - scientific subjects at university level, or other subjects that are relevant or in any case functional to the operations of the Company or
  - c) managerial functions in public entities or public administrations, operating in sectors which are related to the Company's sector, or entities or public administrations that are not related to the aforementioned sectors provided the functions involve the management of economic and financial resources.
- 2) the Board of Directors shall provide guidelines, including through the issuance of appropriate board regulations, according to the principles and criteria established by the of Corporate Governance Code, if the Company declares to subscribe to such Code, regarding the maximum number of offices a director may hold in other companies to be considered compatible with the effective performance of the position of director within the Company.
- 3) a Director shall be considered ineligible or shall forfeit his or her office for just cause, without being entitled to claim compensation for damages, in the event that a conviction, even if not final, is issued against him or her, save for the effects of rehabilitation, for any of the crimes provided:
- a) under the laws governing banking, financial, securities and insurance operations and the laws on markets and securities and payment instruments;
  - b) under Title XI of Book V of the Italian Civil Code and Royal Decree 267 of 16 March 1942;
  - c) by provisions punishing criminal offences committed against the public administration, the good faith of the public, property, public order, the public economy or tax offences;
  - d) under Article 51, paragraph 3-bis, of the Code of Criminal Procedure and Article 73 of the Decree of the President of the Republic no. 309 of 9 October 1990 Directors shall also be considered ineligible if they are committed to trial or ordered for immediate trial for any of the crimes set forth in the paragraph above, letters a), b), c) and d), unless acquitted even on a non-definitive pronouncement, or if they are issued a non-appealable pronouncement ascertaining the wilful commission of an offence to the detriment of the Treasury.

Any directors who during the course of their office should receive a notification of an order committing them to trial or immediate proceedings for any of the crimes set forth under the paragraphs above, letters a), b), c) and d), or of a final judgment ascertaining the wilful commission of an offence to the detriment of the Treasury shall immediately inform the administrative body, which shall be required to maintain confidentiality. In its first meeting, thereafter or, in any case, within the ten days subsequent to being informed of the issuing of the rulings under the third sentence above, the Board of Directors shall verify the existence of any of the assumptions indicated.

If the verification is positive, the director is removed from office for just cause, without being entitled to compensation for damages except if the board of directors, within the above-mentioned ten days, convenes a shareholders' meeting, to be held within the subsequent sixty days, in order to submit to such meeting a proposal that the director be maintained in office, supporting such proposal on the basis that maintaining such director in office is in the overriding interest of the Company. If verification by the Board of Directors is carried out after the end of the financial year, then the proposal shall be submitted to the Shareholders' Meeting called to approve the relative financial statements, subject to compliance with the terms set forth in the applicable laws.

If the Shareholders' Meeting does not approve the proposal made by the Board of Directors, the director will forfeit his or her office with immediate effect for just cause, without being entitled to compensation for damages.

Without prejudice to the above, a chief executive officer who is subject to: (a) incarceration or (b) pre-trial detention or house arrest, upon outcome of the procedure envisaged under Article 309 or Article 311, paragraph 2 of the Code of Criminal Procedure, or after the relative terms of establishment, shall fall from office for just cause, with no entitlement to compensation for damages, and with concurrent termination of all powers conferred upon him or her. Similarly, the Chief Executive Officer shall fall from office if he or she is subject to any other type of non-appealable

personal pre-trial measure of restriction, if such measure is considered by the board of directors such as to render the execution of the powers conferred impossible.

For the purposes of the application of the aforementioned provisions of the Articles of Association, the plea agreement entered into pursuant to Article 444 of the Italian Code of Criminal Procedure is deemed equivalent to a conviction, unless the offence is extinguished.

Therefore, the Board of Directors will ascertain the existence of the situations provided herein, with reference to the cases which are regulated in whole or in part by foreign jurisdiction, based on an evaluation of essential equivalence.

### **3.4. Succession Plans**

On 27 February 2018 the Company's Board of Directors, at the recommendation of the RN Committee and continuing the resolution adopted by the administrative body *pro tempore* on 21 June 2016, resolved not to adopt a succession plan for executive Directors due to reasons inherent in the shareholding structure and because, pursuant to law and to the Articles of Association, directors are appointed by the Shareholders' Meeting based on slates presented by the shareholders.

On the same date, the Board of Directors, at the proposal of the Appointments and Remuneration Committee, resolved to adopt a policy (the "Contingency Plan") aimed at regulating the steps to be undertaken in case of the Chief Executive Officer's early termination from office before the ordinary expiry of the mandate, or in the event of unforeseen and unforeseeable events that prevent the Chief Executive Officer – who is the sole executive Director of ENAV – to carry out its duties in order to ensure the continuity in the regular management and operations of the Company, pending appointment of a new chief executive officer.

### **3.5. Maximum number of offices held in other companies**

Directors of ENAV accept the appointment and remain in office when they believe they can dedicate the necessary time to diligently perform their tasks, taking into account both their commitment associated with the work-related and professional activities and the number and quality of duties vested in the administrative and control bodies of listed companies and companies that operate in the financial, banking and insurance sectors or in companies of significant size.

To this end, on 1 March 2017, upon the proposal of the Remuneration and Appointments Committee, the Board of Directors *pro tempore* approved a policy specifying the maximum number of offices of director or statutory auditor considered to be compatible with efficient and diligent performance of the office of director within this Company.

Following the indications provided by the Corporate Governance Code, this policy considers as significant to this end only the offices held in administration and control bodies of the following types of companies ("Significant Companies"):

- (i) companies with listed shares on regulated markets, including foreign companies;
- (ii) other Italian or foreign companies, whose shares are not listed on regulated markets, operating in the financial, banking or insurance sector or having total assets higher than €1,000 million and/or revenues higher than €1,700 million based on the most recent approved financial statements.

In compliance with the recommendation set forth in the Corporate Governance Code, the overboarding policy adopted by the Board of Directors identifies the limits in offices that can be held at the same time (which can be measured through a system of specific "weightings" for each type of office), diversified depending on (i) the commitment connected to the role covered by each interested party whether on the Board of Directors of ENAV or the administration and control bodies of Significant Companies, and (ii) the nature of the companies at which the other offices are held, excluding from this calculation offices held in subsidiaries which are directly and/or indirectly connected to ENAV.

In line with the recommendations of the Corporate Governance Code, it is expressly provided that the Chief Executive Officer of ENAV shall not hold the post of Director of another issuer not belonging to the same group, whose chief executive officer is a Director of ENAV.

The Board of Directors of ENAV may agree reasoned exemptions to the above-mentioned limits, also based on the characteristics and complexity of the post.

As of the date of this Report, based on communications provided by the Directors of the Company, the number of offices currently held by the Directors of ENAV in administration and control bodies of Significant Companies is compatible with the limits set by this policy.

### **3.6. Induction Programme**

In addition to the general legislative obligation of directors to conduct themselves diligently according to the requirements of the nature of their office and to their specific skills, The Corporate Governance Code also recommends that they must be aware of the duties and responsibilities inherent in their office.

With the aim of strengthening the level of skill and professionalism of the members of the administration and control bodies, the application criteria 2.C.2 of the Corporate Governance Code provides that *"the chairman of the Board of Directors shall ensure that, following their appointment and for the duration of their office, the directors and statutory auditors are able to participate in the most appropriate ways, in initiatives aimed at providing them with adequate knowledge regarding the sector in which the issuer operates, the corporate dynamics and how these evolve, the principles of correct risk management and the regulatory and self-regulatory frame of reference."*

The competence of directors, building on their professional profile, requires care and constant updating in relation to developments in the broad framework of the business activity, not only under the business profile, but also with regard to developments in the related legislative, regulatory and corporate governance framework<sup>5</sup>.

During the year of reference, on 1 March 2017, the corporate bodies participated in an induction session relative to operating business profiles, including a course held at the business unit ACC (Area Control Center) of Roma Ciampino.

On 29 May 2017 and 5 July 2017 respectively, specific training sessions were held, with the support of the relevant Company departments, on the operational and industrial profiles of ENAV business aimed at promoting alignment of the Board members' responsibilities with the specific requirements of the Company.

On 9 July 2017, the Board of Directors decided to assign the consultant Spencer Stuart the task of supporting activities of Board Evaluation and Induction concerning issues of corporate governance.

On 29 September 2017 a specific updating session was held in connection with Leg. Decree 231/2001 and on 23 and 24 November 2017 further initiative of induction were held, including the on-site visit of the new Board of Directors to the above mentioned business unit ACC in Rome Ciampino and to the ENAV premises at Fiumicino Airport, during which training was delivered on corporate governance, the role of advisers and Board dynamics, as well as – for operating profiles - concerning cyber security, air traffic control systems, meteorology and innovation . On 2 February 2018, an informal session was also held devoted to issues of board evaluation and corporate governance, with the participation of the consultant Spencer Stuart.

The Company also facilitated participation of members of the Board of Directors and of the Board of Statutory Auditors in training and induction initiatives referring to governance issues in listed companies organised by major institutions and associations.

### **3.7. The Role of the Board of Directors**

Pursuant to Article 17.1 of the Articles of Association, the management of the Company is exclusively attributed to the Directors who shall carry out the operations required for implementation of the corporate objective.

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<sup>5</sup>See 2017 Report on the evolution of corporate governance in listed companies – the Corporate Governance Committee.

The Board of Directors has a central role in the governance of the Company, and holds, as further illustrated below, powers to define the corporate guidelines and strategies, the general organisational structure of the Company and strategic agreements beyond normal operations.

The Articles of Association provide that, in addition to exercising the powers attributed to it by the law, the Board of Directors resolves on the following issues, without prejudice to the possibility to submit such resolutions to the extraordinary Shareholders' Meeting:

- mergers and demergers, as provided by the law;
- the establishment or abolition of branch offices;
- the reduction of share capital in case of withdrawal by one or more shareholders;
- amendments to the Articles of Association as expressly required by provisions of the law;
- the transferral of the registered office within Italy.

In addition to the duties attributed pursuant to the law and the Articles of Association, the Board of Directors has the exclusive competence in relation to the most significant strategic, economic and financial transactions of the Company and the Group. On 4 May 2017, the Board of Directors resolved to reserve to the Board itself every decision involving:

- a) resolutions regarding the guidelines and strategies of the Company, as well as transactions of a strategic significance, including upon the proposal of the Chief Executive Officer;
- b) approval upon proposal of the Chief Executive Officer, of the Company's general organisational structure, its budget, the multi-year Plan, including the Strategic Plan, the Business Plan, the Investment Plan and the Performance Plan, where applicable also with reference to the Group;
- c) approval of *Contratto di Programma* with the Public Administration;
- d) constitution, merger, spin off and wind up of companies or entities in which ENAV holds any interests; undertaking or sale of equity investments in companies or entities, businesses or business units;
- e) approval of the procurement of services, supplies and work against outlays for amounts exceeding €6 million a year per individual contract of annual duration and for amounts in excess of €20 million for each multi-annual procurement;
- f) purchase and sale of properties, the stipulation of leases of a duration exceeding nine years and provision of collaterals;
- g) the granting of sureties, executing debt or credit financial operations, including insurance coverage and hedging of risks, for amounts exceeding €60 million;
- h) assignment of consulting and professional services for amounts exceeding €100 thousand;
- i) authorisation to conclude, on the proposal of the Chief Executive Officer, assets, work and services sale contracts, for amounts exceeding €6 million per individual contract of annual duration and for amounts exceeding €20 million for each multi-annual contract;
- j) appointment of the General Manager and the determination of its duties and attributions, as well as the revocation of the General Manager, after having obtained the opinion of the Chief Executive Officer;
- k) decisions regarding the exercise of shareholder rights inherent in the companies and investee entities and the right to vote in the relative shareholders' meetings, insofar as main strategic acts are involved which fall under the competence of the shareholder pursuant to the law and the articles of association of the investee companies;
- l) authorisation to stipulate, by subsidiaries, of contracts for the procurement of services, supplies and work for amounts exceeding €6 million per individual contract of annual duration and for amounts exceeding €20 million for each multi-annual contract;
- m) authorisation to conclude settlement agreements for judicial disputes or renunciations *ad litem* for amounts exceeding € 3 million.

On the same date, the Board also resolved to confer upon the Chief Executive Officer a detailed set of powers, setting forth the categories of acts and transactions and the value thresholds thereto.

The Board of Directors also oversees internal control activities.

Having regard to the reserve of board competence concerning transactions of strategic significance, in application of criterion 1.C.1, lett. (f) of the Corporate Governance Code, on 9 August 2017 the Board of Directors approved the "*Procedural guidelines for managing Significant Transactions*" thus delimiting the perimeter of these transactions of significant strategic importance ("Significant Transactions") and identifying procedural guidelines for examining and approving such transactions.

Significant Transactions are therefore to be considered:

- a) bond issues, even unlisted;
- b) transactions that, although falling within the corporate purpose, cause the company to enter new business lines namely in activities distinguished by at least one of the following characteristics: (i) activities designed to sell radically new products or services than those already provided, including by using significantly innovative technologies; (ii) activities covering a customer category<sup>6</sup> different than currently served. For this purpose, activities of a purely exploratory or preparatory nature are not deemed Significant Transactions ;
- c) operations that require making available to the public a prospectus, prepared in accordance with the provisions established by CONSOB;
- d) transactions regulated under the *risk policies* approved by the Board of Directors, in cases where under the terms of these risk policies, the transactions in question, in consideration of their characteristics, are remitted to the responsibility of the Board of Directors, even though according to other parameters thereof such transactions would fall within the responsibility of the delegate.

With reference to the frequency of the meeting of the Board of Directors, such organ usually meets once per month and in any case whenever the Chairman considers it appropriate or if requested by the Chief Executive Officer or at least one third of its members or the Board of Statutory Auditors. The call of the meeting, to be sent at least five days before the date set for the meeting, or, in urgent situations, at least 24 hours beforehand, to the domicile of each Director and Statutory Auditor, is made by registered letter or telegram or telefax or email or any other appropriate means that provides proof of receipt, and shall contain the date, time and place of the meeting and the agenda thereof.

The supporting information is provided in a timely manner and contain all documentation required to render the Directors fully aware of all the issues submitted to their attention. Ordinarily the convocation, always timely pursuant to the Articles of Association, contains all the documentation required, except for rare exceptions due to the need to supplement such documentation, which are clearly indicated within the notice of call.

During 2017, the meeting supporting information was always sent in a timely manner within the terms provided for.

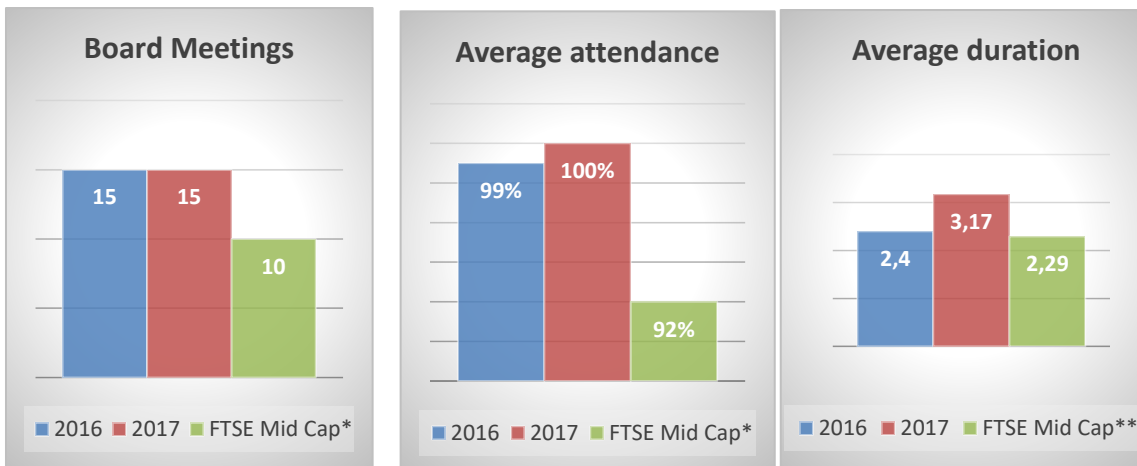
The Chairman ensures that further in-depth analysis are performed during the Board meetings regarding the issues on the agenda.

During 2017, the Board of Directors met 15 times, and the average duration of the meetings was approximately 3 hours and 17 minutes, with attendance of 100% of the members of the Board of Directors, thereby including 100% of the independent Directors present. For additional information regarding the attendance of members at the Board of Directors meetings, please see table 2 to attached to the Report.

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<sup>6</sup>Customer categories means not just a new individual client but a new type of users.





\* *The European House -Ambrosetti S.p.A.*, Final report 2017 of the Observatory on Corporate Governance Excellence in Italy; The data refers to the year 2016.

\*\*Assonime, 2017 report "*Corporate Governance in Italy: code of conduct, compensation and comply-or-explain*"

In accordance with Article 18.7 of the Articles of Association, the General Manager participates in an advisory capacity at meetings of the Board of Directors.

Meetings of the Board of Directors have also been attended by the managers of the relevant Company departments in accordance with the issues on the agenda, which supported the Chief Executive Officer in providing further in-depth information on the items being discussed.

With reference to the Financial Year, in the period from 1 January 2017 until 28 April 2017, the Board of Directors:

- approved, after having obtained the opinion of the Control and Risks and Related Parties Committee, of the Board of Statutory Auditors and of the Director in charge of the System of Internal Control and Risk Management, the Internal Audit plan for 2017 and the three-year scheduling of the activities thereto. In particular, based on best practices and on the standards of the IAA (International Auditors Association) the plan adopts a *risk-based* methodology and is aimed to verifying all the *major processes* identified within a three-year period;
- defined, upon the proposal of the Remuneration and Appointments Committee, its policy with regard to the maximum number of positions held as a Director or Standing Auditor considered compatible with the effective and diligent performance of the office of Director of the Company;
- after obtaining the opinion of the Control and Risks and Related Parties Committee, positively assessed the adequacy of the Internal Audit and Risk Management System relative to the characteristics of the business and to the risk profile that has been assumed;
- positively assessed, after obtaining the opinion of the Control and Risks and Related Parties Committee, the adequacy of the organisational, administrative and accounting structure of ENAV and the powers and means available to the Financial Reporting Officer;
- examined the periodic report provided by the Control and Risks and Related Parties Committee regarding the activities carried out by it and the adequacy of the Internal Audit and Risk Management System;
- examined the periodic report provided by the Internal Audit Officer containing the assessment of the Internal Audit and Risk Management System;
- approved the Company's budget for 2017;
- after obtaining the opinion of the Control and Risks and Related Parties Committee, approved the impairment procedure and the outcomes thereto;

Following the 2017 Shareholders' Meeting and up to 31 December 2017, the newly appointed Board of Directors:

- verified possession by the Directors of the requirements set forth by the law and the Articles of Association;
- appointed the Chief Executive Officer, and conferred the related powers;
- identified the Chief Executive Officer as the Director in Charge of the Internal Control and Risk Management System;
- established the Board committees pursuant to the provisions set forth in the Corporate Governance Code, appointing the members thereof;
- updated the "Internal Dealing Procedure" and the "*Procedure governing Transactions with Related Parties*";
- approved, after having obtained the opinion of the Board of Statutory Auditors, the plan for the activities of the Internal Audit for the financial year.
- appointed, after consulting the Board of Statutory Auditors, the Financial Reporting Officer responsible for preparing the accounting records for the three-year period 2017-2019;
- approved, after having obtained the opinion of the CRPC Committee, the Financial Risk Management Policy;
- approved, after having obtained the opinion of the CRPC Committee, the Policy for Significant Transaction
- identified the Managers with Strategic Responsibilities in person of the General Manager, the Chief Financial Officer and the Human Resources Officer;
- approved, after having obtained the opinion of the CRPC Committee, the Risk Policy for Commercial Operations
- approved, after having obtained the opinion of the CRPC Committee, the Risk Appetite Statement;
- approved the Company's budget and the third charging zone terminal rate for 2018;

With regard to the first months of 2018, the Board of Directors, among other things:

- approved the 2018 Budget and Plan for the Internal Audit department;
- approved the 2018 Budget and Plan for the Supervisory Body pursuant to Legislative Decree 231/2001;
- approved the integration of the Organisation Model pursuant to Italian Legislative Decree 231/2001;
- approved, upon proposal of the Remuneration and Appointments Committee, the Contingency Plan;
- conducted with the support of the advisor Spencer Stuart, the Board Evaluation activities;
- approved, after having obtained the opinion of the CRPC Committee, the Risk *Policy* for Brokerage Operations
- approved, after having obtained the opinion of the CRPC Committee, the Enterprise Risk Management activity plan for the year 2018;
- approved the 2018-2022 Business Plan;
- approved the Non-Financial Statement prepared pursuant to Directive 2014/95/EU and Italian Legislative Decree 254/2016;
- approved this Report on corporate governance and ownership structures for the Year;
- Approved, upon proposal of the Remuneration and Appointments Committee, the remuneration report;
- assessed the adequacy of the organisational, administrative and accounting procedures, the internal control system and the adequacy and effectiveness of the internal control and risk management;

- approved, after having obtained the opinion of the CRPC Committee and having heard the Board of Statutory Auditors, the updating of the guidelines for the SCIGR;
- positively assessed the adequacy of the Internal Audit and Risk Management system relative to the characteristics of the business and its chosen risk profile;
- approved the draft financial statements of ENAV as at 31 December 2017 for submission to the Shareholders' Meeting and the consolidated financial statements;
- resolved to convene the annual Shareholders' Meeting and conferred powers for the explanatory reports thereto, where applicable;
- provided, with the support of the Remuneration and Appointments Committee, to verify the effective achievement of the Chief Executive Officer's performance objectives for the year 2017.

With reference to the year 2018, the Board of Directors has planned 12 meetings, of which 3 have been held at the date of this Report; the Board also scheduled 4 induction sessions, of which 1 was held on 2 February 2018.

### 3.8. Board Evaluation

Since the beginning of its mandate, the Board of Directors has initiated a structured board evaluation process, entrusting the related support activities for the duration of the mandate to the independent advisor Spencer Stuart, which during 2017 has not performed other tasks for ENAV.

In line with the provisions of the Corporate Governance Code, and with the aforementioned advisor's coordination, the Board of Directors performed the self-assessment of the same and of its committees in relation to the financial year 2017. The Board Evaluation was conducted through questionnaires and direct interviews with the Directors about the effectiveness, size, composition and functioning of the Board. In addition to the Directors, interviews were also conducted with the members of the Board of Statutory Auditors, the Secretary of the Board of Directors and certain managers that have relationships with the Board, by virtue of the functions covered.

For the purposes of assessing the Board of Directors an analysis of best practices and a comparison with the practices adopted by ENAV's Board was also conducted, including by using the "Boardroom *Best Practice*" tool of the advisor Spencer Stuart. For this purpose, the corporate documentation has been made available which in particular refers to the minutes of the meetings of the Board of Directors and of the Board committees, so as to assess interactions amongst the Directors, their interventions in the meetings, the topics discussed and their frequency on the agenda. To the same end, the advisor's representatives participated in the meeting of the Board of Directors held on 13 November 2017.

The outcome of such process has been discussed in the context of the induction event on 2 February 2018, where the Board also examined the recommendations contained in the letter dated 13 December 2017 from the Chairman of the Corporate Governance Committee of Borsa Italiana to the management and control bodies of Italian issuers.

At its next meeting on 27 February 2018, the Board of Directors performed their self-assessment, recognizing the strengths of the group as a council in addition to identifying certain areas for improvement that will form the basis for assessing progress made during the next board evaluation. The three-year Board Evaluation process with the advisor's support will continue with the Peer-to-Peer review for aimed at analysing the contribution of each Director to the work of the Board and at providing constructive individual feedback.

The Board of Directors is in the first year of a three-year term and is largely new with respect to the administrative body in charge during the previous three years. In this first phase of its term, the Board, in addition to performing its duties, has thus been working to acquire a uniform knowledge of the Company's business, organisation, managers and processes; also, it is gradually fine-tuning the internal dynamics among the Directors and as a council. Overall, the Directors have expressed appreciation for the Board's methods of functioning, its size and composition. Specifically, the strengths identified include: the role performed in determining the risk appetite of the business and in defining the guidelines for the internal control and risk management system; completeness and

comprehensiveness of the information received on the management and on business performance; the clarity of the meetings' agendas; the safeguarding of confidentiality of the information received by virtue of the office; the support received by the Secretary of the Board and the timeliness with which documents are transmitted with respect to the items on the meetings' agenda; the authoritative and effective role performed by the Chairman and the Chief Executive Officer's ability to effectively convey and explain the items on the agenda and to respond fully to questions from the Board members.

The assessment also highlighted some areas for improvement, including: the need to follow up with the organization of induction sessions, to further strengthen knowledge of the business and of the Company and to organise informal meetings to foster synergies amongst the Directors; the reporting of committees to the Board, which could be even more effective, and the pursuit of a more consistent involvement of the Company departments by the Committees; the Board also shared the opportunity to start a process aimed at adopting the resolutions relating to succession of the executive director in instances of emergency, for which see section 3.4 of this Report.

### **3.9. Chairman of the Board of Directors**

During the year 2017, up to the date of the 2017 Shareholders' Meeting, the position of Chairman of ENAV's Board of Directors was held by Ferdinando Franco Falco Beccalli. The 2017 Shareholders' Meeting appointed Roberto Scaramella as Chairman of the Board of Directors of ENAV.

The Chairman calls meetings of the Board of Directors, sets the agenda thereto, coordinates the work and provides the Directors and Statutory Auditors with all information regarding the matters to be discussed.

He also holds a role of impulse and supervision of the operation of the Board of Directors.

In addition to the powers provided for by the law and by the Articles of Association as to the operation of corporate bodies and the legal representation of the Company, on 4 May 2017 the Board of Directors resolved to attribute to the Chairman the following powers:

- (i) coordinate the auditing activities, supervising the operations of the relevant departments;
- (ii) attend to the domestic and international institutional relations, together with the Chief Executive Officer.

The Chairman of the Board of Directors in agreement with the Chief Executive Officer also handles the communications activities of the Company and its relations with the media, both domestic and foreign.

As the Chairman of the Board has received no management mandate and has no specific role in the definition of the corporate strategies (Application Criterion 2.C.1 of the Corporate Governance Code), the Chairman is considered to be a non-executive director.

### **3.10. Chief Executive Officer**

At its meeting on 4 May 2017, the Board of Directors newly appointed by the 2017 Shareholders' Meeting appointed as ENAV's Chief Executive Officer Roberta Neri, who had held the same position on the previous Board also.

Pursuant to Article 2381, paragraph 5 of Italian Civil Code and to Article 18, paragraph 5 of the Articles of Association, the Chief Executive Officer ensures that the organisational and accounting structure is adequate for the nature and size of the Company.

In the same meeting on 4 May 2017, the Board of Directors also conferred upon the Chief Executive Officer all the powers for the ordinary and extraordinary management of the Company, including the legal representation and single signature before any judicial and administrative authorities as well as attributing the functions and the powers that are not otherwise reserved by law, by the Articles of Association or otherwise reserved to the Board of Directors or conferred to the President, as illustrated, respectively, in preceding paragraphs 3.7 and 3.9.

The Chief Executive Officer has also been appointed as Director in Charge of the System of Internal Control and Risk Management.

The situation qualified as interlocking directorate envisaged under Application Criterion 2.C.5. of the Corporate Governance Code does not apply with respect to the Chief Executive Officer.

In order to keep the Board of Directors and the Board of Statutory Auditors constantly updated, the Chief Executive Officer also informs the same, promptly and in any case at least quarterly, about the activities carried out, on the general course of operations of the Company and their foreseeable development, and on the main economic, financial and equity operations carried out by the Company or its subsidiaries. The information is provided on the occasion of the meetings of the Board of Directors or through a written memorandum.

Pursuant to Application Criterion 1.C.1 (d) of the Corporate Governance Code, the Chief Executive Officer informs the Board of Directors, at least quarterly, regarding the activities carried out in execution of the powers conferred.

### **3.11. Non-executive Directors**

The Board is composed mostly of non-executive members. Non-executive Directors contribute their specific professional skills and experience to the Board discussions, taking particular care that the decisions of the Board are adequately reasoned upon and motivated, in particular in relation to areas in which conflicts of interests could arise.

The number of non-executive Directors, their skills and commitment in terms of availability are such as to ensure that their judgement has a significant weight in the decisions made by the Board.

### **3.12. Independent Directors**

As of the date of this Report, 5 ENAV Directors out of 9 are independent both within the meaning of the TUF and of the Corporate Governance Code.

Specifically, the Board of Directors, at its meeting on 4 May 2017, assessed the possession of the requirements provided for under Article 148, paragraph 3, TUF for the Chairman of the Board of Directors, as well as those under Article 148, paragraph 3, TUF and under Principle 3 of the Corporate Governance Code for Directors Giuseppe Acierno, Nicola Maione, Fabiola Mascardi, Carlo Paris and Antonio Santi.

The Board of Statutory Auditors has verified the correct application of the criteria and assessment procedures adopted by the Board of Directors to evaluate the independence of its members.

The independent Directors met in the absence of the other Directors and were able to proceed to an exchange of views about the functioning of the Board of Directors, the issues of greatest interest for the attention of the Board of Directors and further induction initiatives considered useful.

### **3.13. Lead Independent Director**

ENAV has not appointed a lead independent director, since, as at the date of this Report, the conditions indicated under Application Criterion 2.C.3 of the Corporate Governance Code do not apply; indeed, the Chairman of the Board of Directors is not the main person responsible for the management of the Company nor the individual that controls ENAV.

## 4. INTERNAL COMMITTEES WITHIN THE BOARD OF DIRECTORS

### 4.1. Remuneration and Appointments Committee

In line with the recommendations of the Corporate Governance Code, the Board of Directors has established the Remuneration and Appointments Committee, composed of non-executive Directors, the majority of whom independent, with consultative and advisory functions on remuneration and appointment matters.

During the year 2017 until the date of the 2017 Shareholders' Meeting, the RN Committee was composed of Directors Stefano Siragusa (independent non-executive Director) acting as Chairman, Nicola Maione (independent non-executive Director) and Alessandro Tonetti (non-executive Director).

After renewal of the Board of Directors by the aforementioned Shareholders' Meeting, the resolution of the Board of Directors on 4 May 2017 established the new Remuneration and Appointments Committee, composed of directors Carlo Paris (Independent Non-Executive Director) acting as Chairman Maria Teresa Di Matteo (Non-Executive Director), Fabiola Mascardi (Independent Non-Executive Director) and Giuseppe Acierno (Independent Non-Executive Director).

The composition of the Remuneration and Appointments Committee ensures that the necessary number of members is in possession of the requirements of professionalism and independence as required by the Corporate Governance Code.

The composition, functioning and duties of the Remuneration and Appointments Committee, with separate evidence of the powers of the Committee with respect to remuneration and those with respect to appointments, are regulated by the rules of the Committee ("CRN Regulation") approved by resolution of the Board of Directors on 21 June 2016.

As regards the attributions regarding appointments, pursuant to Article 2 of the CRN Regulation, in compliance with the provisions set forth under principle 5 of the Corporate Governance Code, the Remuneration and Appointments Committee is attributed the following duties, of a pro-active and advisory nature:

(a) to express opinions to the Board of Directors, regarding its size and composition and to express recommendations regarding the professional figures whose presence within the Board is deemed appropriate, and on the issues set forth under Application Criteria 1.C.3 (guidelines for the Board of Directors regarding the maximum number of offices as a Director or a Statutory Auditor) and 1.C.4 (derogation to the competition restriction pursuant to Article 2390 of the Italian Civil Code) of the Corporate Governance Code;

(b) propose to the Board of Directors candidates for the office of Director in the event of co-optation, where it is necessary to replace independent directors.

Also, with regard to the provisions of Article 5.C.2. of the Corporate Governance Code, the Committee is responsible to support the Board of Directors in relation to deliberations regarding the possible adoption of a succession plan for Executive Directors.

As regards the attributions regarding remuneration, pursuant to Article 3 of the CRN Regulation, in compliance with the provisions set forth under principle 6 of the Corporate Governance Code, the Remuneration and Appointments Committee is attributed the following duties, of a pro-active and advisory nature:

(a) submitting proposals or expressing opinions to the Board of Directors on the remuneration of executive Directors and other Directors who perform specific duties as well as on the definition of performance targets related to the variable component of this remuneration;

(b) periodically assessing the adequacy, overall consistency and concrete application of the remuneration policy for Directors and Managers with strategic responsibilities, making use of the information provided by the Chief Executive Officers for this latter purpose;

(c) preliminarily examining the annual remuneration report to be made available to the public ahead of the annual Shareholders' Meeting for the approval of the financial statements;

(d) monitoring the application of the decisions adopted by the Board of Directors, verifying, in particular, that the performance targets have actually been reached.

(e) preparing, submitting to the Board of Directors and monitoring the application of the incentive schemes aimed at senior executives and top management (including any share-based remuneration plans), intended as instruments aimed at attracting and motivating high-level, experienced resources, developing their sense of loyalty and ensuring constant drive to create value over time.

The Committee has been endowed by the Board of Directors of the resources needed for the performance of its duties and can, within the budget established by the Board of Directors and where the specificity of the matter so requires, avail itself of consultants and external experts of acknowledged professionalism and competence on matters for which the Committee is called upon, provided that these do not simultaneously provide the Human Resource Department, the Directors or managers with strategic responsibilities any significant services that could compromise the independence of the same consultants. The Committee can access information functional for performing its duties and rely on the support of the business functions in matters within its competence.

No Director takes part in the meetings of the Committee in which proposals to the Board of Directors concerning their individual remuneration are formulated, unless the proposals refer to the generality of members of the committees established within the Board of Directors.

Pursuant to the CRN Regulation, the Chairman of the Committee reports at the first appropriate Board Meeting on the meetings held by the Committee.

In 2017, the Committee met 15 times, and the average duration of each meeting was 1 hour and 37 minutes, with 95% of its members present on the average. For additional information regarding the attendance of members at the meetings of the Committee, please see table 2 to attached to the Report. The Committee meetings were normally attended by the Chairman of the Board of Statutory Auditors. During its activities, the Committee considered appropriate to invite certain managers to its meetings, with particular regard to the Human Resources Officer, occasionally with the support of external consultants, for in-depth examination of certain issues.

In particular, in the course of the 2017 financial year and in the first months of 2018, the Committee among other things:

- formulated proposals to the Board of Directors for the remuneration structure of the Chief Executive Officer, of the Chairman of the Board of Directors and of the Directors for their participation at Board committees;
- formulated proposals to the Board of Directors for the remuneration policy for the year 2018;
- formulated proposals on severance, welfare, social security and health insurance package for the Chief Executive Officer;
- with the support of competent business structures, prepared the Regulations for implementing the long-term incentive plan called Performance Share Plan 2017-2019;
- formulated proposals to the Board of Directors for guidelines on the remuneration policy for executives with strategic responsibilities, as identified by the Board of Directors;
- verified the achievement of the performance objectives related to the variable components of the remuneration of the Chief Executive Officer for the 2017 financial year;
- verified the adequacy, overall consistency and practical application of the remuneration policy for managers with strategic responsibilities, making use of the information provided by the Chief Executive Officer;
- examined the Remuneration Report (containing, among other things, the description of the Remuneration Policy for 2018 and the procedures for exercising the functions of the Committee) for approval of the Board of Directors and presentation to the Shareholders' Meeting;
- in compliance with the provisions of Article 5.C.2. of the Corporate Governance Code, supported the to the Board of Directors' assessment concerning the adoption of the contingency and succession plans for Executives Directors.

In carrying out its functions, the Committee has had the opportunity to interact with relevant business departments and access the information necessary for properly performing its duties and has availed itself of external consultants, considered independent and not in conflict of interest.

With regard to 2018, as at the date of this Report, the Committee has planned 11 meetings, of which 4 in the period of time from 1 January 2018 to the date of this Report.

Minutes were duly taken for all the meetings of the Committee

#### **4.2. Control, Risks and Related Parties Committee**

In application of the recommendations of the Corporate Governance Code, the Board of Directors is supported, with regard to issues concerning the internal control and risk management system, by a committee, the Control, Risks and Related Parties Committee (CRPC Committee), consisting of non-executive Directors, the majority of which independent, with consultative and advisory functions on such issues. This CRPC Committee, with regard to the provisions contained in Article 11-*bis*.5 of the Articles of Association, is also competent for related party transactions.

During the 2017 financial year until the date of the 2017 Shareholders' Meeting, the CRPC Committee was composed of Directors Nicola Maione (independent non-executive Director) acting as Chairman, Stefano Siragusa (independent non-executive Director) and Mario Vinzia (non-executive Director).

After renewal of the Board of Directors by the 2017 Shareholders' Meeting, with resolution on 4 May 2017 the Board of Director established the new CRPC Committee composed of directors Nicola Maione (independent non-executive Director) serving as Chairman, Mario Vinzia (non-executive director) and Antonio Santi (independent non-executive Director).

The composition of the CRPC Committee ensures that the necessary number of members is in possession of the requirements of professionalism and independence as required by the Code of Conduct.

The composition, functioning and duties of the Committee are governed by the CRPC Committee Regulations ("CRPC Regulations ") approved by resolution of the Board of Directors on 21 June 2016.

Pursuant to Article 2 of the CRPC Regulation, the CRPC Committee is entrusted with the following duties:

- (a) to evaluate, together with the Financial Reporting Officer and after receiving the opinion of the auditing firm and of the Board of Statutory Auditors, that the accounting standards are used correctly and in a uniform manner for preparation of the periodic financial statements;
- (b) to express opinions on specific aspects regarding the identification of the main risks faced by the Company;
- (c) to examine the periodic reports on the assessment of the Internal Control and Risk Management System and the main reports prepared by the Internal Audit Department;
- (d) to monitor the autonomy, adequacy, efficacy and efficiency of the Internal Audit Department;
- (e) to report to the Board of Directors, at least twice a year, on its activities and the adequacy of the Internal Control and Risk Management System;
- (f) to support, by conducting adequate checks, the assessment and decisions of the Board of Directors relative to risk management arising from harmful events which the Board of Directors became aware of;
- (g) to perform the additional duties assigned by the Board of Directors.

Additionally, in line with Application Criterion 7.C.1 of the Corporate Governance Code and pursuant to the aforementioned Article 2 of the CCRPC Regulation, the CRPC Committee shall express its opinion to the Board of Directors:

- (a) regarding the guidelines for the Internal Control and Risk Management System approved by the Board of Directors and periodically updated, so that the main risks concerning ENAV and its subsidiaries, including the various risks that could become significant in terms of



sustainability over the medium - long term, are correctly identified and adequately measured, managed and monitored;

- (b) regarding the compatibility of the risks under (a) above with a management of the Company that is in line with the strategic objectives that have been identified;
- (c) regarding the adequacy of the Internal Control and Risk Management System with regard to the characteristics of the business and its risk profile and also regarding the effectiveness of the System itself;
- (d) regarding the plan of activities prepared by the Internal Audit Officer;
- (e) on the description, included in the corporate governance report, of the main characteristics of the Internal Control and Risk Management System and the procedures for coordination of the individuals involved therein, including assessment of the adequacy of the System itself;
- (f) regarding the results reported on by the Independent Auditors in the event of issuing of a letter of comments and in the report on fundamental issues ("RQF");
- (g) on the proposal relating to the appointment, revocation and remuneration of the Internal Audit Officer, as well as on the adequacy of the resources assigned to the latter for performance of the relevant functions.

Pursuant to Article 2.5 of the CCRRP Regulation, the Control, Risks and Related Parties Committee is entrusted with the functions attributed by the Related Parties Regulation and by the Procedure governing the Company's related parties transactions (hereinafter also "OPC Procedure"), in regard to which the Committee may also propose amendments and integrations.

The CRRP Committee is endowed by the Board of Directors of the resources needed for the performance of its duties and can, within the budget established by the Board of Directors and where the specificity of the matter so requires, avail itself of consultants and external experts of acknowledged professionalism and competence whose independence and absence of conflict of interest has been assessed, also in accordance with the OPC Procedure. The CRPC Committee can access the information necessary for performing its duties and rely on the support of the business functions in matters within its competence.

The CRPC Committee and the Board of Statutory Auditors shall exchange all information of mutual interest and, where appropriate, coordinate the performance of their duties.

Pursuant to the CRPC Regulation, the Chairman of the CRPC Committee reports at the first appropriate Board Meeting on the meetings held by the Committee.

In 2017, the CRPC Committee met 15 times, and the average duration of each meeting was 2 hour and 50 minutes, with 100 % attendance of its members to the meetings. The Chairman of the Board of Statutory Auditors and the Internal Audit Officer took part in all the meetings of the CRPC Committee. The Director in Charge of the Risk Management and Control System is always invited to the CRPC Committee meetings in connection with the activities pertaining to risk control. In addition, the Chairman of the CRPC Committee invited the Chairman of the Remuneration and Appointments Committee to participate in some meetings to refer of the latter Committee's activities in relation to the determination of compensation of executive Directors pursuant to Article 2389, paragraph 3 of the Italian Civil Code and about the general remuneration and incentive policy for corporate top management. The CRPC Committee meetings were also attended by executives from different corporate departments in connection with the discussion of specific issues including those concerning related parties, periodic financial reporting, the statements of the Financial Reporting Officer as per Article 154-*bis*, paragraph 5, of the TUF, for identifying and monitoring ERM risks and revising the procedure relating to transactions with related parties.

In particular, in 2017 and in the first months of 2018, the CRPC Committee, among other things:

- evaluated, after hearing of the opinions of the Chief Financial Officer and of the Financial Reporting Officer, that the corporate accounting principles were used correctly and uniformly for the preparation of the periodic financial statements;
- expressed opinions on specific aspects regarding identification of the major risks faced by the Company, during meetings, respectively with (i) the head of Risk Management, ii) the

head of Commercial Development, (iii) the General Manager, (iv) the head of International Strategies and (v) the head of Legal and Corporate Affairs;

- examined the plan of Internal Audit activities for 2017 and the multi-year planning of such activities expressing a positive opinion in this regard;
- positively evaluated the adequacy of the organisational, administrative and accounting structure of ENAV, with particular reference to the Internal Control and Risk Management System and also the adequacy of the powers and resources available to the Financial Reporting Officer;
- positively assessed the adequacy of the Internal Control and Risk Management System for the business characteristics and the risk profile chosen;
- examined the periodic reports provided by the Internal Audit Officer regarding the assessment of the Internal Control And Risk Management System;
- examined, for subsequent approval by the Board of Directors, the policy for Significant Transactions;
- monitored the independence, adequacy, effectiveness and efficiency of the Internal Audit department;
- prepared the periodic report regarding its activities and the adequacy of the Internal Control and Risk Management System;
- analysed the internal control safeguards;
- expressed the required opinions on the transactions with related parties for the purposes of the OPC Procedure;
- expressed a positive opinion on the proposal of updating the OPC Procedure, thereafter approved by the Board of Directors at its meeting on 13 November 2017;
- expressed its opinion on the financial risk management policy;
- expressed its opinion on the business management risk policy;
- examined the plan and 2018 budget of the Internal Audit department;
- examined the plan and 2018 budget of the Supervisory Body pursuant to Legislative Decree 231/2001;
- expressed its opinion on the proposal for supplementing the Organisation Model pursuant to Legislative Decree 231/2001;
- expressed its opinion about the proposal to update Internal Control And Risk Management System Guidelines;
- expressed its opinion about the *risk policy* pertaining to agency and intermediation contracts;
- expressed its opinion about the periodic risk monitoring and Enterprise Risk Management activity plan for the year 2018;
- expressed its opinion on the adequacy of the Internal Control And Risk Management System for 2017.

In exercising its functions, the CRPC Committee was able to access the necessary information and corporate functions in order to discharge its duties properly.

With reference to 2018, the CRPC Committee has planned 12 meetings, of which 3 have been held as at the date of this Report.

Minutes were taken regularly at all the CRPC Committee meetings.

## 5. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

The Guidelines of the Internal Control and Risk Management System (“SCIGR”), describe the internal control system adopted by ENAV covering all the activities of the Company.

In particular, ENAV's SCIGR is comprised of the overall array of instruments, organisational structures, corporate regulations and rules that ensure identification, measurement, management and monitoring of the main risks and implementation of the controls for achievement of the corporate objectives of:

- Safeguard of Company assets;
- effectiveness and efficiency of the corporate processes;
- reliability of financial reporting;
- compliance with the laws, the regulations, the Articles of Association and the corporate internal procedures.

The SCIGR, which takes into account the recommendations of the Corporate Governance Code and references national and international best practices, is divided into three separate levels of internal control:

<b>“first level” or “line controls” (risk ownership)</b>	The set of control activities that the individual group areas, management and corporate structures perform on their own processes in order to ensure that transactions are performed correctly. These control activities are carried out under the main responsibility of the <i>management</i> and they are considered an integral part of every corporate process. The corporate structures are therefore the main entities that are responsible for the internal control and risk management process. In the course of its regular operations, these structures are required to identify, measure, evaluate, manage, monitor and report the risks arising from ordinary business operations in accordance with the mandatory standards, regulations and internal procedures applicable
<b>“second level” controls</b>	Assigned to the structures specifically in charge of carrying out this work, (such as Risk Management, Planning and Control, Safety, Security, Quality, Management Systems and HSE) which are autonomous as well hierarchically and functionally distinct from the "first level" corporate structures, with specific duties and responsibilities of control over different areas/types of risks. They monitor the business risks of specific relevance, propose guidelines on the relative control systems and verify their adequacy in order to ensure efficiency and efficacy of the control and risk management operations and support the integration of the risks related to their specific fields of competence
<b>“third level” controls</b>	Carried out by the Internal Audit department, which provides independent and objective assurance on the adequacy and the actual operation of the first and second level controls, and, more generally, on the SCIGR. This level of control, therefore, has the task of verifying the structure and operation of the SCIGR overall, including through monitoring the line controls and the second level controls, both for ENAV and the Group.

The main parties involved in the Internal Control and Risk Management System are:

- the Board of Directors and the governing body of the subsidiaries
- the Board of Statutory Auditors and the controlling body of the subsidiaries (where present)
- the Director in Charge of the System of Internal Control and Risk Management
- the CRPC Committee.
- ENAV's Supervisory Body pursuant to Legislative Decree 231/2001 and those of the subsidiaries (where present)
- the Magistrate delegated from the Italian *Corte dei conti*
- the Internal Audit Department

- the Financial Reporting Officer
- the Risk Management Department

Below is a diagram that summarises the actors of ENAV's SCIGR, showing the architecture based on the three levels of control.



*\* also in its quality as Director in Charge of the SCIGR*

To ensure maximum coordination between the different components of the control system, the governance of ENAV provides that:

- the Board of Statutory Auditors, the Internal Audit Officer and the Director in Charge of the Risk Management and Control System are invited to the meetings of the CRPC Committee;
- the Magistrate delegated from the Italian Corte dei conti is invited to the meetings of the Board of Statutory Auditors;
- the Control, Risks and Related Parties Committee, the Board of Statutory Auditors and the Supervisory Body meet at least twice annually;
- at least two meetings take place annually between ENAV's Board of Statutory Auditors and the Board of Statutory Auditors of the subsidiary Techno Sky;
- periodic meetings take place between ENAV's Board of Statutory Auditors and the Internal Audit Officer, the Financial Reporting Officer and the Risk Management Officer, as well as any additional business functions involved;
- the Internal Audit Officer acts as a member of the Supervisory Bodies.

Insofar as coordination between the level II and III controls' structures is concerned, the following is provided for:

- periodic meetings are held between the Risk Management Officer, the Financial Reporting Officer and the Internal Audit Officer aimed at sharing information contained in the supervisory actions of the SCIGR;
- periodic meetings are conducted between the Risk Management Officer, the Safety Officer and the Security Officer in order to ensure the necessary integration and coherence with the Enterprise Risk Management corporate risk management system.
- the Risk Management Officer coordinates a cross-functional working group composed of the Financial Reporting Officer, the Human Resources Officer, Internal Audit Officer, Legal and Corporate Affairs Officer, Safety, Security and Quality Management System and HSE, for the

constant monitoring and updating of the guidelines of the Internal Control and Risk Management System.

### **5.1. Director in Charge of the System of Internal Control and Risk Management**

At its meeting on 4 May 2017 the Board of Directors appointed the Chief Executive Officer, Ms Roberta Neri, as the Director in Charge of supervising the operations of the Internal Control and Risk Management System, with the duties referred to in the Application Criterion 7.C.4 of the Corporate Governance Code (the "Director in Charge of SCIGR").

The latter is responsible for:

- (i) identifying the main risks while taking into account the characteristics of the business areas in which the Company and the Group operate, submitting said risks to the Board of Directors for periodic review;
- (ii) executing the guidelines of the SCIGR, handling the planning, implementation and management thereof and verifying constant adequacy and efficacy;
- (iii) adapting this system to the operating conditions and legislative and regulatory environment;
- (iv) upon consulting with the Chairman of the Board of Directors, submits to the Board of Directors the proposals regarding appointment, revocation and the remuneration of the Internal Audit Officer, ensuring that the latter has appropriate resources available for the discharge of its responsibilities;
- (v) together with the Chairman of the Board of Directors, examines the plan of activities prepared by the Internal Audit Officer, submitting her own evaluations in this regard to the Board of Directors which is called upon to approve this plan;
- (vi) may request the Internal Audit department to carry out checks on specific operational areas, as well as checks on compliance with internal rules and procedures in the performance of business operations, informing the Chairman of the Board of Directors, the Chairman of the CRPC Committee and the Board of Statutory Auditors; and
- (vii) promptly reporting to the Board of Directors on problems or critical issues that may have emerged in the performance of its duties, or that were otherwise brought to its knowledge, so that the Board of Directors may take the necessary measures.

During the year and in the first months of 2018, the Director in Charge of SCIGR carried out the following operations:

- identified the major corporate risks, taking into account the characteristics of the operations of the Company and its subsidiaries, periodically submitting these for examination by the Board;
- enforced the guidelines laid down by the Board of Directors and oversaw the planning, implementation and supervision of the System of Internal Control and Risk Management, while constantly verifying its adequacy and effectiveness, including in light of the operating conditions and the legislative and regulatory environment;
- met the Board of Statutory Auditors on 5 occasions to report on the activities carried out for the purposes of this assignment;
- supervised the preparation of the policy for financial risks;
- supervised the preparation of the policy for commercial risks;
- examined the 2018 activity plan and the budget of the Internal Audit department;
- supervised the preparation of the policy pertaining to agency and intermediation contracts;
- supervised the preparation of the activity plan for Enterprise Risk Management for 2018;
- supervised the update of SCIGR guidelines.

### **5.2. The Internal Audit Officer**

The Board of Directors appointed Devan de Paolis as the Internal Audit Officer.

The Internal Audit Officer ensures that the Group Internal Control and Risk Management System is functional and adequate; in particular he is responsible to:

- (i) verify, on an ongoing basis and in relation to specific needs and in compliance with international standards, the operations and appropriateness of the SCIGR, through the audit plan and by conducting specific, unscheduled audits;
- (ii) prepare, at least annually, an audit plan, based on a structured process of analysis and identification of the priorities inherent in the main risks, to be submitted for the approval of the Board of Directors;
- (iii) conduct specific verifications, where deemed appropriate or upon the request of the Board of Directors, the CRPC Committee, the Director in Charge of SCIGR or the Board of Statutory Auditors.

The Internal Audit Officer also ensures at the Group level proper oversight for the prevention of corruption and the fight against fraud through monitoring reports received (so-called *whistleblowing*) and checking the facts reported in the same.

The Internal Audit Department has direct access to all information required for the performance of these duties and prepares periodic reports containing adequate information on its activities, the procedures through which risks are managed and compliance with the content of defined plans. The periodic reports contain an evaluation of the suitability of the SCIGR after the results of the checks carried out in executing the audit plan and any further investigation requested by management and/or control boards.

For the discharge of his duties, the Internal Audit Officer is endowed with the financial resources as per the department budget, necessary for conducting the department activities autonomously or with the support of external entities/individuals.

The Internal Audit department is not responsible for any operating area and depends hierarchically from the Board of Directors, with which it communicates directly through the Chairman of the Board of Directors.

The Internal Audit Department timely prepares reports on events of particular significance and transmits them to the Chairmen of the Board of Statutory Auditors, of the CRRP Committee and of the Board of Directors, to the Director in Charge of SCIGR and to the Financial Reporting Officer to the extent of its responsibility. Moreover, the Internal Audit department verifies the reliability of the Company's information systems, including its accounting systems.

As of the date of this Report, incentive mechanisms were in place for the Internal Audit Officer, consistent with the tasks assigned. In particular, the incentive and remuneration policies applicable to the Internal Audit Officer and to all the Company's management, which consist of fixed and variable components, are based on classification and weighting of the organisational roles (certified periodically by an external company) which allow comparison with the external market. The systems are furthermore closely related to an annual performance evaluation process defined through a short-term managerial incentive system.

The Internal Audit Officer serves as the internal member of the Supervisory Body of ENAV and of the subsidiary Techno Sky.

With reference to the whistleblowing system, for managing reports of illegal or fraudulent conduct on the part of its employees both by third parties in general and more particularly by those who have relationships with the ENAV Group, the Internal Audit department has developed a system that establishes a confidential information channel, ensuring the anonymity and confidentiality of the whistleblower.

During the year and in the first months of 2018, the Internal Audit Officer carried out the following activities:

- completed 27 audit reports arising both from the activities provided in the plan and as requested by the Board of Directors, the Board of Statutory Auditors, the Control, Risks and Related Parties Committee, the Director in Charge of SCIGR as well of areas subject to reporting;
- periodically monitored the progress of the work inherent in the implementation of recommended actions (*follow up*);

- periodically reported to the Control, Risks and Related Parties Committee and to the Board of Statutory Auditors on the progress of activities carried out;
- established an oversight for the prevention of corruption and fraud according to best practices and in line with the ISO 37.001 standard, through the implementation of the aforementioned specific information channel reserved for whistleblowing, ensuring anonymity and confidentiality of the whistleblower, collection and analysis of reports received through targeted investigations and inspections;
- formalisation of a whistleblowing regulation describing procedures whereby the whistleblower can make the disclosures and with explanations of the protections for the whistleblower;
- organised classroom-based training sessions on anti-corruption in cooperation with the Supervisory Body;
- proposed to the Board of Directors an update to the annual plan and the multi-annual planning of its activities.

### 5.3 The system for risk control and controls over financial reporting

ENAV Group's control system for financial reporting ("SCIIF"), which is an integral part of the broader corporate SCIGR, aims at ensuring that the objectives of reliability, accuracy, trustworthiness are applied to financial reporting.

The structure of SCIIF is defined consistently with the "*Internal Controls – Integrated Framework*" model of the "*Committee of Sponsoring Organizations of the Treadway Commission*", which represents internationally the reference model in relation to which each component of the ENAV internal control system is established, maintained and evaluated.

The responsibility for implementing and maintaining a proper SCIIF is assigned to the Financial Reporting Officer; the principles and methods used thereby in exercising their duties, and the responsibilities of the personnel involved in various capacities in the maintenance and monitoring of SCIIF activities, are described in the "*Guidelines for evaluation of SCIIF*".

The establishment, maintenance and evaluation of the SCIIF are guaranteed through a structured process that includes the following phases:

- Definition of the perimeter of the Company and of the significant processes (Scoping)*. The Financial Reporting Officer of ENAV identifies the companies which are significant within the SCIIF, based on a top-down and risk based approach, in order to guarantee adequate monitoring of the areas most exposed to the risk of significant unintentional errors or fraud in the financial statements. The identification of the significant companies in quantitative terms is carried out based on the contribution of the different entities to specific values in the consolidated financial statements and considering the existence of processes with specific inherent risks which would compromise reliability and accuracy of the financial information. Within significant companies for the control system, the significant processes are then identified, these being those processes which result in significant financial statement items because their amounts are higher than a defined threshold (the so-called materiality threshold) or are considered as such in consideration of qualitative parameters (risky processes which are not connected to significant accounts due to the complexity of their accounting treatment or evaluation or estimation processes).
- Analysis and evaluation of the controls at the group entity level (ELC – Entity level Control)*. The structure of the controls at the entity level consists of a structured group of processes and controls operating across the ENAV organisation allowing to address, define and monitor the design and general operation of the SCIIF.
- analysis and evaluation of the controls at the process level and identification of the key controls (Key Controls)* i.e., the controls that have the most relevance for the purpose of proper financial reporting. The structure of the controls at the process level provides for specific

controls and monitoring, these being the group of activities, manual or automated, which aim at preventing, identifying and correcting errors or irregularities that arise as activities are conducted.

- d) *Monitoring of the control operations.* In order to verify and ensure the operation of SCIIF, the Financial Reporting Officer carries out specific verification activities (tests) and monitoring, both at the entity level and at the process level, which consist mainly of: (i) defining the test plan; (ii) executing test activities; (iii) reporting of findings;
- e) *Evaluation of any inadequacies, approval and monitoring of remedial actions and updating of the administrative and accounting procedures.* Following the verifications carried out or any significant changes (including organisational), if the assessment indicates that there are inadequacies in the SCIIF, the relative corrective actions required for achievement of the objectives of reliability, accuracy, truthfulness and timeliness of the reporting itself are identified. Consequently, the Financial Reporting Officer updates or if necessary prepares the administrative accounting procedures and publishes them on the corporate intranet, in agreement with the process owners themselves.

Based on the results from the monitoring activity, the Financial Reporting Officer prepares a report on the adequacy of the SCIIF. The report is shared with the Chief Executive Officer and communicated to the Board of Directors, after examination by the CRRP Committee, at the time of the approval of the draft annual financial statements and the interim financial report, to allow their assessments on the SCIIF.

- f) *Release of the certification of the financial statements and the report on operations by the Chief Executive Officer and by the Financial Reporting Officer.* Based on the consolidation of the results obtained and the overall evaluation of the control system for financial reporting, the Financial Reporting Officer and the Chief Executive Officer issue a certification regarding the efficacy and operation of the administrative and accounting procedures and the truthfulness and accuracy of the financial reporting. The certification regarding the financial statements for the year, the annual consolidated financial statements and the interim financial statements for the half year, together with the relative management reports, is also supported by a flow of internal certification letters, issued every half year by the managers of the corporate functions of ENAV which are involved in preparing the financial statements, the Financial Reporting Officer of Techno Sky and the administrative officers of other subsidiaries.

#### **5.4 The Organisation Model pursuant to Legislative Decree 231/2001;**

In compliance with the provisions of Legislative Decree 231/2001, which introduced a system of administrative liability into the Italian legal system for companies for certain types of crimes committed by their directors, managers or employees in the interest of or for the advantage of the companies themselves, the Company since 2004 has adopted the organizational, management and control model referred to in Legislative Decree 231 dated 8 June 2001 (the "Organizational Model").

Pursuant to Legislative Decree 231 of 2001, the Supervisory Body is responsible for overseeing the operation and observance of the Organisational Model and of the Code of Ethics, while also updating the same pursuant to the evolution of the organisational structure and the reference regulatory environment.

ENAV's Organisational Model in effect as at the date of this Report is structured as follows:

- a general part is focused on the governance and business profiles, and the configuration of the governance aspects of the "231 Offences" prevention system which is implemented within the Company, including the disciplinary system;
- 9 special sections tackle each group of offences provided for by Legislative Decree 231 of 2001 applicable to the context in which the Company operates. They contain a list of the activities which are potentially exposed to the various risks of offence, the rules of conduct applicable to each area of interest, and the specific principles of control included in the Company's internal regulating instruments;
- a matrix of the areas exposed to the risk of offences (analysis of the risk profile) which also includes a list of the instrumental processes, i.e. the corporate processes in which the conditions for committing of these offences could be present;



- an Annex containing the list of relevant offences which outlines pursuant to Legislative Decree 231 of 2001 the types of crimes and administrative offences liable to determine administrative responsibility borne by the legal persons.

The Organisational Model of ENAV is constantly maintained and updated by the Supervisory Body. Recently, on 27 February 2018, the Company's Board of Directors, *inter alia* taking into account the regulatory updates of Legislative Decree 231/ 2001 in 2017, and precisely:

- Law 179 of 30 November 2017 containing "*Provisions for the protection of whistleblowers for reports of crime or irregularity which has come to their knowledge in the framework of a public or private employment relationship*", known as *Whistleblowing*, which amended Article 6 of Legislative Decree 231/2001 by adding 3 new paragraphs;
- the amendment of Article 25-ter of Legislative Decree 231/01 "*Corruption between individuals/incitement to corruption between individuals*"; and
- the introduction of new criminal offences: (i) illegal immigration, with the introduction, in Article 25-duodecies of Legislative Decree 231/ 2001, of two new offences; and (ii) racism and xenophobia, which the introduction into Legislative Decree 231/ 2001 of Article 25-terdecies,

approved the update of the Organisational Model in relation to (i) the general part with reference to *whistleblowing* ; (ii) to the list of offences contained in Annex A to the general part; (iii) the special section B "*Corporate crimes and administrative crimes and offences of market abuse*"; and (iv) the special part F "*Crimes of manslaughter and serious or severe injury committed with violation of the regulations on the protection of health and safety at the workplace*", to include aspects of travel security relating to activities carried out abroad.

The ENAV Organisational Model is available on the Company's website, [www.enav.it](http://www.enav.it).

The Supervisory Body in office as at the date of this Report was appointed on 19 May 2016 and consists of two external members, Francesco Alfonso (Chairman) and Giovanni Fiori, and an internal member Devan De Paolis; the Supervisory Body will remain in office until approval of the financial statements for 2018 and in any case until appointment of the new Supervisory Body.

In 2017, further training/information sessions were carried out concerning Legislative Decree 231 and preventing corruption and an online training course was provided intended for all company employees.

Like ENAV, the subsidiary Techno Sky has its own Organisational Model pursuant to Legislative Decree 231/01 and its own Supervisory Body.

During the year 2017 and the first months of 2018, the Supervisory Body of ENAV held 9 meetings and performed the activities summarised below:

- examination of the audit results aimed at the improvement actions defined and related monitoring;
- examination of the information flows received on the basis of internal procedure and the reports received through the whistleblowing channel pertaining to matters related to Leg. Decree 231/2001;
- proposal of update of the ENAV Organisation Model pursuant to Legislative Decree 231/2001 and the Group's Ethics Code, approved by resolution of the Board of Directors on 16 March 2017;
- update of the internal procedure for the management of information flows and reports to ENAV's Supervisory Body;
- coordination, with the support of the Internal Audit department, of classroom training activities concerning Legislative Decree 231/01 and preventing corruption for ENAV employees;
- examination of the Risk Assessment performed by the Internal Audit department, as a result of regulatory updates implemented by Legislative Decree 231/01 in 2017, with particular reference to Law 179/2017, and the correlated proposed update of the Organisational

Model pursuant to Legislative Decree 231/2001, approved by the Board of Directors on 27 February 2018;

- preparation of the half-year reports to the Board of Directors on the activities carried out by the Supervisory Body;
- preparation of the Annual Plan of activities of the Supervisory Body with request for its budget;
- meetings with the CRRP Committee and with the Board of Statutory Auditors for exchange of information on the internal control and risk management system.

### 5.5 The Independent Auditors

By resolution of the Shareholders' Meeting held on 29 April 2016, the auditing firm Reconta Ernst & Young S.p.A. (now EY S.p.A.) has been appointed to carry out the statutory audit of the annual financial statements of ENAV, the consolidated financial statements of ENAV Group and the consolidated half year statement of the ENAV Group, for the years from 2016 to 2024.

At the Shareholders' Meeting called to approve the financial statements for the year 2017, the proposal shall be submitted for deliberation on the opportunity to increase the fees payable to the independent auditors, in connection with the new duties and responsibilities conferred upon them due to the current regulations, under the terms and conditions set out in the report forming the motivated proposal by the Board of Statutory Auditors.

### 5.6 The Financial Reporting Officer

During the year 2017, the role of Financial Reporting Officer was held by Loredana Bottiglieri, Head of the Administration Department, who was confirmed in this office by resolution of the Board of Directors on 4 May 2017, after consulting the Board of Statutory Auditors, for the three year period 2017-2019 and therefore until the end of the term of the Board of Directors currently in office.

In accordance with the provisions of Article 18-*bis* of the Articles of Association, the Financial Reporting Officer was chosen according to the criteria of professionalism and competence among executives who have completed a total of at least three years' experience in administrative duties in enterprises, or at consulting or professional firms.

The Financial Reporting Officer, together with the Chief Executive Officer, certifies on a report on the financial statements, the consolidated financial statements and abbreviated interim half-year financial statement:

- a) the adequacy and effective application of the administrative and accounting procedures during the period to which the documents relate;
- b) that the documents are prepared in accordance with applicable international accounting standards recognised in the European Community in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and Council of 19 July 2002;
- c) the correspondence of the documents to the underlying books and accounting records;
- d) the suitability of the documents to provide a true and accurate view of the equity, economic and financial position of the Company and all the undertakings included in the consolidation;
- e) for the annual financial and consolidated statements, that the annual report includes a fair review of management progress and outcomes as well as the situation of the Company and the undertakings included in the consolidation, together with a description of the principal risks and uncertainties to which they are exposed;
- f) for the semi-annual financial statements, that the interim management report includes a fair review of the information referred to in paragraph 4 of Article 154-*ter* of the TUF.

In order to facilitate the flow of information, the Financial Reporting Officer is entitled to participate in the meetings of the Board of Directors when the agenda contains issues that affect the economic, equity, finances of the Company or the Group and can access all the documents and resolutions of the corporate bodies that affect the Company's economic, equity and financial situation.

The Board of Directors ensures that the Financial Reporting Officer has adequate powers and the resources to exercise the tasks assigned and for fulfilling the related administrative and accounting procedures.

The duties and responsibilities of the Financial Reporting Officer and the powers and resources allocated thereto are governed in detail by a special regulation, adopted for the first time in 2014 and regularly updated by the Financial Reporting Officer in concert with the Director in Charge of the Risk Management and Control System. The Regulation was approved by the Board of Directors of ENAV during the 12 March 2018 meeting.

As of the date of this Report, there are no incentive mechanisms in place for the Financial Reporting Officer.

### **5.7 The Corte dei conti (Court of Auditors)**

The Company is subject to the auditing of its financial statements by the Italian Corte dei conti (Court of Auditors) which reports annually to the Parliament pursuant to Article 12 of Law 259 of 21 March 1958, on the legitimacy and regularity of the management and the operation of the internal controls.

The Magistrate delegated for such auditing of the Company attends the meetings of the Board of Directors and of the Board of Statutory Auditors.

In December 2017 the "*Report on the result of the audit performed on the financial management of ENAV for the financial year 2016*" was issued, and the same is published on the company's website in the section "*Governance*".

During the year 2017 the function of deputy Magistrate of the Court of Auditors was performed by President Angelo Buscema. As of January 2018 President Mauro Orefice was appointed as the Magistrate delegated for such control of ENAV.

## 6 REMUNERATION OF DIRECTORS' AND EXECUTIVES WITH STRATEGIC RESPONSIBILITIES

The Board of Directors reviews the Remuneration Report pursuant to Article 123-ter of the TUF, the first section of which - dedicated to the remuneration policy for Directors and Managers holding strategic responsibilities adopted by the Company - is subject to an advisory vote by the Shareholders' Meeting. ENAV Managers with strategic responsibilities are identified in the General Manager, the Chief Financial Officer and the Human Resources Officer.

For illustration of the remuneration policy adopted by ENAV and for information on the remuneration of the Directors, the Statutory Auditors, the General Manager and other Managers with strategic responsibilities, in addition to the information contained in this Report, please refer to the Remuneration Report prepared by the Company pursuant to Article 123-ter of the TUF, adopted after examination by the RN Committee by the Board of Directors on 12 March 2018, which will be submitted to the Shareholders' Meeting on 27 April 2018. The Remuneration Report is published in the "Governance" section of [www.enav.it](http://www.enav.it).

## 7 THE BOARD OF STATUTORY AUDITORS

### 7.1 Appointment and replacement of Statutory Auditors

Pursuant to Article 21 of the Articles of Association, the shareholders' meeting appoints the Board of Statutory Auditors which is comprised of three standing auditors, amongst which it elects the Chairman, and two alternate auditors. The composition of the Board of Statutory Auditors must comply with the provisions of the law and the regulations regarding gender balance, as applicable.

If during the course of the mandate, one or more of the standing auditors are no longer in office, the alternate auditors will replace them in an order that will ensure compliance with the aforementioned provisions of the law and the regulations regarding gender balance.

The auditors serve terms the duration of which shall be three financial years expiring upon the date of the meeting called for the approval of the financial statements of the third financial year of their term of office. The members of the Board of Statutory Auditors are selected from among those that possess the requirements of professionalism and integrity indicated in the applicable laws and regulations. The areas which are closely related to the Company's operations are the areas of commercial law, tax law, business administration and corporate finance and sectors of activity involving communications, data transmission and IT, banking, financial and insurance operations.

As regards the composition of the Board of Statutory Auditors, the applicable provisions of the law and the regulations apply to situations of non-eligibility and limitations to the number of offices that can be held by the members of the Board of Statutory Auditors.

Each year, the Board of Statutory Auditors verifies, through a self-evaluation process appropriately formalized with an internal regulation, the adequacy of its own composition and the efficacy of its own operations.

Standing and alternate auditors are appointed by the shareholders' meeting based on slates submitted by the shareholders, in which the candidates must be listed with a consecutive number and the number of candidates proposed must not exceed the number of members to be elected. Only shareholders who alone or together with other shareholders represent at least 2.5% of the share capital or the percentage established by CONSOB through its own regulation regarding the submission of lists with candidates for appointment to sit on the Board of Directors (which is, for 2018, 1% of the share capital of ENAV as per CONSOB resolution no. 20273 of 24 January 2018) are entitled to submit slates. The curriculum vitae of each candidate must be submitted together with each slate under penalty of inadmissibility as must the declarations with which the individual candidates accept their candidacy and certify, under their own responsibility, that there are no causes for ineligibility or incompatibility, and that they fulfil the requirements of integrity, professionalism and independence as prescribed by the applicable laws.

The standing auditors who are appointed must without delay notify if they no longer possess any of the requirements indicated, as well as the supervening of any causes for ineligibility or incompatibility.

Each person entitled to vote shall vote for only one slate.

The applicable laws shall apply to the presentation, submission and publication of the slates.

The slate shall contain two sections: one for candidates for the office of standing auditor and the other for the candidates for the office of alternate auditor. At least the first candidate for each section must be registered with the board of legal auditors and have worked as a legal auditor for a period of no less than three years.

Two standing auditors and one alternate auditor will be selected from the slate that obtained the highest number of votes, based on the consecutive order in which they are listed in the sections of the slate itself. The remaining standing auditor and the remaining alternate auditor are appointed pursuant to the procedures of Article. *11-Bis3*, section b), of the Articles of Association, to be applied separately to each of the sections of the other slates.

For the appointment of the statutory auditors who for any reason are not elected based on slates, the Shareholders' Meeting shall deliberate according to the legal majorities, without observing the procedure indicated above, but in any case in a way that ensures that the composition of the Board of Statutory Auditors is compliant with the applicable laws, regulations and administrative provisions and with the applicable laws on gender balance.

The standing auditor who is elected pursuant to the procedures set forth under Article *11-bis.3b)* of the Articles of Association, shall assume the chairmanship of the Board of Statutory Auditors. In the event of replacement of the chairman, this office shall be assumed by the alternate auditor who has also been elected pursuant to the procedures set forth under Article *11-bis b)*.

If one of the auditors selected from the slate with the highest number of votes is replaced, he or she will be replaced by the first of the alternate auditors selected from that slate. If the replacement does not provide for reconstitution of a Board of Statutory Auditors that is compliant with the applicable laws on gender balance, the second of the alternate auditors drawn from that same slate shall take over. Where subsequently it becomes necessary to replace the other statutory auditor selected from the slate with the highest number of votes, he or she will be replaced by the other alternate auditor selected from that slate.

Statutory auditors may jointly or severally carry out inspections and audits at any time.

The Board of Statutory Auditors monitors compliance with the law, regulations and with the Articles of Association, the principles of good management and particularly the adequacy of the organisational administrative and accounting structures adopted by the Company and its correct operation, the adequacy and functionality of the overall risk management and control system. The Board of Statutory Auditors is an integral part of the overall SCIGR. The Board of Statutory Auditors may request that Directors provide information on the corporate operations or regarding specific business.

## **7.2 Composition and operation of the Board of Statutory Auditors**

On 29 April 2016, the Shareholders' Meeting appointed Franca Brusco (serving as Chair), Donato Pellegrino and Gennaro Pappacena, standing auditors, and Maria Teresa Cuomo and Ivano Strizzolo, as alternate auditors until the approval of the annual financial statements as of 31 December 2018. On 16 June 2016, the standing auditor Gennaro Pappacena resigned and on 17 June 2016 the alternate auditor Ivano Strizzolo resigned. On 20 June 2016, the Shareholders' Meeting supplemented the Board of Statutory Auditors by appointing Mattia Berti as a standing auditor with effect until the approval of the annual financial statements as of 31 December 2018.

The Shareholders' Meeting on 27 April 2017 resolved to supplement the Board of Statutory Auditors by appointing a second alternate auditor in the person of Francesco Schiavone Panni.

The members of the Board of Statutory Auditors will remain in office until approval of the financial statements as at 31 December 2018.

The following table shows the composition of the Board of Statutory Auditors as at the date of the Report.

Name	Office	Date of appointment
Franca Brusco	Chair	29 April 2016
Mattia Berti	Standing Statutory Auditor	20 June 2016
Donato Pellegrino	Standing Statutory Auditor	29 April 2016
Maria Teresa Cuomo	Alternate Statutory Auditor	29 April 2016
Francesco Schiavone Panni (S)	Alternate Statutory Auditor	28 April 2017

Following is a summary on the personal and professional characteristics of the individual members of the Board of Statutory Auditors.

### **Franca Brusco**



Graduate of the University of Messina, since 2002 she has been registered in the list of Certified Public Accountants and in the Register of Auditors. She operates her own accounting firm in Rome and Milan and provides assistance and consulting services on corporate issues, financial statements and tax issues to companies, trade associations and public bodies.

From 2003 to date, she has been a consultant for listed companies and non-profit entities in the marine infrastructure, anti-pollution, renewable energy, logistics and commerce industries, as well as for economic and non-economic public bodies. Within these areas, she has assisted management in administrative, financial, accounting and tax management, as well as the monitoring of the internal control and risk management system. She has consolidated experience in the field of business consultancy, in terms of ordinary and extraordinary operations pertaining to tax profiles and commercial law, giving opinions on company law, tax law and other laws relating to corporate reorganisation. Her advisory support has also concerned the set up and monitoring of the administrative and accounting structure, the drafting of the ordinary and consolidated financial statements, economic and financial planning and the auditing of accounts.

As a lecturer, she has participated in staff-oriented meetings and training courses, concerning tax, corporate and accounting matters, including public accounting matters.

She has held various roles as a member and/or as Chair of boards of statutory auditors for public and private entities. She is currently a member of the Board of Auditors for Museo Galleria Borghese, the Port System Authority of the Southern Adriatic Sea, ATER of Civitavecchia, Missione Futuro and A.I.R.R.I and has been Chair of the Board of Statutory Auditors for Cotral Patrimonio S.p.a and a member of the Board of Statutory Auditors of PosteCom S.p.A., Kopron S.p.A., Zétema S.r.l., Vergani & F.lli S.r.l., Ulstein Italia S.r.l., Beautyprof S.p.A., R.C.G. Service S.r.l. and Sogecom S.r.l., as well as liquidator of Consorzio delle Opere s.c.r.l. and BBt S.r.l. and director of Cinque B A.c.t.

Since 29 April 2016, she has been the Chair of the Board of Statutory Auditors of ENAV.

### **Mattia Berti**



He graduated with honours both in Economics and in Law from the University of Bologna. He is a certified public accountant and has been a partner of the Bologna office of the La Croce firm, handling ordinary and extraordinary corporate consulting. He has received court appointments to provide independent technical advice, act as a receiver (in bankruptcy), bankruptcy commissioner and appraiser. He has published work on bankruptcy for the publishers Giuffrè and Giappichelli and has spoken at many seminars on bankruptcy. In the academic years 2015-2016

and 2016-2017 he held the post of Visiting Professor of Technique and Analysis of Financial Statements at the University of Ferrara; in the academic year 2017-2018 he held the post of speaker in seminars on the same subject, also at the University of Ferrara. He often undertakes work with companies as a director, liquidator or statutory auditor, including independent legal auditing. He is currently the Chairman of the Board of Statutory Auditors of Micoperi S.p.A., Cura Gas & Power S.p.A., Protan s.r.l., and has held this position within EN.E.R. S.p.A., Fondazione Cassa di Risparmio e Banca del Monte di Lugo, Primi sui Motori S.p.A., Liverani S.r.l. and Sub Sea Oil Services S.r.l. as well. He is non-executive director at Carimonte Holding S.p.A. and Soc. Coop. Lughese G. Mazzini, while he was the court appointed administrator of Rosa Real Estate S.p.A. He is a standing auditor with CO.R.A. S.p.A., and Alleanza Luce & Gas S.p.A.; sole statutory auditor of Aqseptence Group S.r.l. He has been a statutory auditor at ACER Ravenna and A.C.C. Coop in. He is a member of the board of auditors of the AlmaLaurea University Consortium.

He is a member of the Supervisory Committee of I.M.T. S.p.A. in special administration.

From 20 June 2016, he is a standing auditor of the Board of Statutory Auditors of ENAV.

### **Donato Pellegrino**



An Economics and Business Administration graduate of "La Sapienza" University of Rome, he is a member of the Order of Chartered Accountants and the Register of Auditors. He has been a high school professor of commercial and corporate techniques and disciplines since 1978. He has held the position of Chairman of the Consortium for the Industrial Development and Real Services of Lecce. He was a member of the Administrative Body of the Consortium Bonifica Ugento Li Foggi and was the deputy chairman thereof for eight years. He was an Auditor of the Consortium Bonifica Ugento Li Foggi and of the Italian Revenue Agency (*Agenzia*

*delle Entrate*). He was the Mayor of the Municipality of San Donato di Lecce for fifteen years and a member of Regional Council of Apulia under three different governments. He was firstly appointed as a statutory auditor of the ENAV Board of Statutory Auditors on 20 July 2015, replacing a departing auditor.

On 29 April 2016, he was confirmed as a standing auditor of the Board of Statutory Auditors of ENAV.

### **Maria Teresa Cuomo**

Received her degree with honours in Economics and Business in 1996 from the University of Salerno. She has a PhD in Public Economics. A university researcher since 2001, she is currently an associate professor of "Economics and Business Management" at the Bicocca School of the University of Milan and at the University of Salerno. She became a tenured professor in 2012. She has gained academic and scientific research experience in Italy and abroad.

She has been an alternate auditor of Leonardo-Finmeccanica since 2015 (appointed from the list submitted by the MEF), and a member of the assessment body at the local health department (A.S.L) of Salerno. She has chaired the supervisory body pursuant to Legislative Decree 231/2001 of the Regional Agency for residential building of the Province of Salerno since 2014. Former Chairman of the board of statutory auditors of public bodies and public foundations, from 2009 to 2012 she has been a member of the board of directors of CUEIM- the University Consortium for Management Economics. From 2009 to 2011 she chaired the Technical Control Committee of *Ente di Ambito Ottimale Servizio Integrato Risorse Idriche* of the ATO 4 Sele of Salerno. She is a columnist for the newspaper "*Corriere del Mezzogiorno*" - RCS Group *Corriere della Sera*. Since 2001, she has provided auditing and consulting services on management, financial and market issues for many private companies.

She has authored over 100 scientific publications. She is the Italian Delegate at the Global Innovation and Knowledge Academy, United States. She is also a member of the Editorial Committee of Elsevier's "*Journal of Innovation and Knowledge*". In 2016, she was the recipient of a prestigious international award for scientific research: the "*Best Paper Award*", GIKA. She has also been conference chair and has spoken at numerous workshops and national and international conventions. She was appointed alternate auditor of the ENAV Board of Statutory Auditors on 29 April 2016, and has performed the duties of statutory auditor, replacing a resigning auditor, until the body was reconstituted by the Shareholders' Meeting of 20 June 2016.

## **Francesco Schiavone Panni**

he obtained an Economics and Business Administration degree from LUISS Guido Carli University in 1978, and is a member of the Order of Chartered Accountants from 1988 and of the Register of Auditors from 1991. From 1978 to 1983 he worked as an independent auditor at KPMG S.p.A., auditing the financial statement for large companies and conducting training courses. In 1984 he founded the Studio Schiavone firm developing his activity in the field of business consulting and subsequently integrating it with expertise in corporate and tax law. He chairs boards of statutory auditors for large groups and, in particular, holds positions in the corporate bodies of companies belonging to the groups Bank of Italy BNL S.p.A., EDF EN Italia S.p.A., Condotte d'Acqua S.p.A. and Industria Macchine Automatiche S.p.A. He was a member of corporate bodies in ENI S.p.A. and SNAM S.p.A.

Since 2011 he is a member of the Committee on Criminal Law in Economy (dealing with administrative liability of legal persons pursuant to Legislative Decree 231/01) at the Order of Certified Public Accountants of Rome.

### ***Meetings and activities***

Meetings of the Board of Statutory Auditors can be held using audiovisual and teleconferencing connections or similar telecommunications systems, provided that all the participants can be identified and are able to follow the discussion on the agenda items in real time and also to receive and transmit documents. If these requirements are met, the Board of Statutory Auditors will be considered to have been convened in the location in which the Chairman is located.

In 2017, the Board of Statutory Auditors met 14 times, and the average duration of the meetings was 5 hours and 29 minutes, with an average attendance of 95.23%. For additional information regarding the attendance of meetings of the Board of Statutory Auditors, please see table 3 attached to this Report.

With reference to 2018, the Board of Statutory Auditors has planned 14 meetings, of which 3 have been held as at the date of this Report.

The Board of Statutory Auditors timely verified the independence of its members following their appointment, applying the evaluation criteria pursuant to Article 144-*novies*, paragraph 1-*bis*, of the Issuers Regulation and Application Criterion 8.C.1 of the Corporate Governance Code; the Board of Auditors verified that its members continued to fulfil the independence requirements throughout the year.

The Chairman of the Board of Directors ensured that, subsequently to their appointment and throughout their mandate, the Statutory Auditors have been able to participate in initiatives that provide them with adequate knowledge regarding the industry of the Company, the corporate dynamics and their evolution, and the regulatory and self-regulatory context of reference. In particular, the Statutory Auditors participated and shall continue to participate in the same induction initiatives organised to the benefit of Directors, as indicated in section 3.6 of this Report, which in some cases were combined with the training activities organised by third parties.

The Magistrate appointed by the Italian Corte dei conti (Court of Auditors) is always invited to and participates in the meetings of the Board of Statutory Auditors.

As part of the duties assigned to it by law and in compliance with the recommendations of the Corporate Governance Code, the Board of Statutory Auditors has the power to request the Internal Audit department of the Company to carry out checks on specific operating areas or Company operations and the right to swiftly exchange with the CRRP Committee the information required for the pursuit of their respective duties.

In carrying out its activities, the Board of Statutory Auditors has constantly coordinated with the Internal Audit department, whose Officer normally attends the meetings of the Board of Statutory Auditors and of the CRRP Committee.

Furthermore, in pursuing its activities, the Board of Statutory Auditors:



- has met with the Company's Supervisory Body pursuant to Legislative Decree 231/2001, receiving information and documentation and examining the report on the latter's activities for 2017
- has met regularly with the Director in Charge of SCIGR, the Financial Reporting Officer and the Chief Financial Officer, the independent auditing firm, the Risk Management structure and other corporate structures involved in the internal control system;
- met with the Chief Executive Officer of the subsidiary Techno Sky, as well as with the Board of Statutory Auditors thereof, coordinating their respective activities;
- in the person of the Chairman, has regularly attended the meetings of the RN Committee and the CRPC Committee.

Pursuant to Application Criterion 8.C.4 of the Corporate Governance Code, if a Statutory Auditor has an interest in a specific Company transaction, whether on their own behalf or on that of a third party, the Statutory Auditor concerned shall promptly and thoroughly inform the other Statutory Auditors and the Chairman of the Board of Directors on the nature, terms, origin and extent of their stake. At the date of this Report, none of the Statutory Auditors had any interest, whether on their own behalf or that of third parties, in any significant transactions or in the relative conduct resulting therefrom.

During 2017, the Board of Statutory Auditors discharged its institutional duties pursuant to the Italian Civil Code, to Legislative Decree 39/2010, to the TUF and to Legislative Decree 254 of 30 December 2016. The supervisory activity was conducted according to the provisions of the Corporate Governance Code and of the Code of Conduct for the Board of Statutory Auditors issued by the National Council of Chartered Accountants and Auditors and the instructions issued by Consob. In particular, these activities covered, *inter alia*, verifications related to:

- compliance with applicable law and with the Articles of Association;
- compliance with the principles of correct administration
- adequacy of the organisational structure and of the System of Internal Control and Risk Management
- adequacy of the administrative and accounting system and of the independent auditing of the accounts
- the separate and consolidated financial statements
- the drafting of the non-financial statement
- the corporate governance rules
- relations with subsidiaries
- transactions with related parties

During the first months of 2018, the Board of Statutory Auditors also examined the request to supplement the assignment of independent auditors related to the auditing activities for the separate and consolidated financial statements of ENAV, regarding an increased compensation and a variation in resources and activities thereto, in view of the preparation of a motivated proposal of the Board of Statutory Auditors at the Shareholders' Meeting, in accordance with the law.

## 8 INVESTOR RELATIONS

In line with the recommendations of Principle 9 of the Corporate Governance Code, the Company has dedicated a specific section of its website to shareholders, containing information in regard to ENAV of interest to the market.

In particular, the “*Investor Relations*” section of ENAV’s website contains the Company’s main economic and financial data and documents, including the financial statements and interim financial reports. Disclosures to the market of the main periodic economic and financial data is ensured through publication of appropriate press releases on ENAV’s website and through the SDIR.

The “*Governance*” section of the website contains the main documents and information regarding the ENAV’s corporate structure and information relating to the participation in and conducting of each ENAV Shareholders’ Meetings.

Furthermore, ENAV has established a specific “*Investor Relations*” department, which is run by Stefano Raffaello Songini. This department handles the relations with investors, financial analysts and stakeholders and manages the correct issuing of the economic - financial information to the market.

## 9 SHAREHOLDERS’ MEETING

### 9.1 Role and powers of the Shareholders’ Meeting

The Shareholders’ Meeting is the corporate body through which shareholders participate in the decisions of the Company on issues that fall under their competence pursuant to the law and the Articles of Association.

In particular, the Shareholders’ Meeting in ordinary or extraordinary meetings is competent for passing resolutions, *inter alia*, concerning: (i) amendments to the Articles of Association; (ii) the approval of the financial statements and the allocation of profits; (iii) the appointment of members of the Board of Directors and of the Board of Statutory Auditors and regarding their compensation and any actions of responsibility thereto; (iv) the appointment and dismissal, upon proposal of the Board of Statutory Auditors, of independent auditors; (v) the authorization to the purchase and disposal of treasury shares; (vi) authorization of share-based compensation plans; and (vi) other matters expressly conferred upon it by law and by the Articles of Association.

### 9.2 Conduction of the business of the Shareholders’ Meetings

Conduction of business of the ordinary and extraordinary Shareholders’ Meetings of ENAV is governed, in addition to the law and the Articles of Association, by the Shareholders’ Meeting Regulations of ENAV (“*Shareholder’s Meeting Regulations*”), approved at the ordinary Shareholders’ Meeting of 10 March 2016 and published on the ENAV website in the “*Governance*” section. The following are the rules that govern the conduct of ENAV Shareholders’ Meetings.

#### *Call of the Shareholders’ Meeting*

Pursuant to Article 7 of the Articles of Association, ordinary and extraordinary Shareholders’ Meetings are called through a notice of call published on the Company’s website within the terms provided for at law and through the other means and within the deadlines set by CONSOB with its own regulation, and shall be held at the registered office of the Company or in another location, in Italy.

The ordinary Shareholders’ Meeting shall be convened at least once per year within 120 days from the end of the year, or within 180 days from the end of the year, when there are particular requirements relative to the structure and object of the Company, pursuant to the provisions of Article 2364, last paragraph, of the Italian Civil Code.

The extraordinary Shareholders’ Meeting shall be called in the cases and for the matters provided for by the law.

The Shareholders' Meeting is usually held in a single call. The Board of Directors may establish that the Shareholders' Meeting shall be held over several convocations. The majorities required by the law shall be complied with to ensure the validity of the constitution of the Shareholders' Meeting, whether ordinary or extraordinary, and the validity of the relative resolutions.

#### ***Entitlement to attend and vote at the meeting***

Every shareholder entitled to intervene at the Shareholders' Meeting may be represented pursuant to the law, including by non-shareholders, upon written proxy. The proxy may be notified to the Company electronically as well, through the appropriate section on the Company's website indicated in the notice of call. The same notice of call may also indicate, pursuant to applicable laws, additional procedures for digital notification of proxies, which can be used in the specific Shareholders' Meeting which the notice refers to. To facilitate the collection of the proxy from the shareholders, employees of the company or its subsidiaries, who are associated to shareholders' associations fulfilling the requirements set forth by the applicable laws, areas to be used for the communication and the collection of the proxies shall be provided to these associations, according to the terms and procedures agreed from time to time with their legal representatives.

For individual Shareholders Meetings, the Board of Directors may provide that the persons allowed to attend a meeting and exercise a voting right can participate via electronic telecommunications methods. In this case, the notice of call shall specify, including with reference to the Company's website, the aforementioned procedure for participation.

The Company may designate for each Shareholders' Meeting an individual whom the shareholders may authorise and provide voting instructions to on all or some of the proposals on the agenda, following the procedures set by the law and the regulatory provisions, by the end of the second day of open market prior to the date set for such Shareholders' Meeting, including for further calls. The proxy will not be effective with regard to proposals for which no voting instructions have been given.

The Chairman of the Shareholders' Meeting will be responsible for checking the regularity of the individual proxies and, in general, verifying the right to attend and to vote. The Chairman shall direct and regulate the discussion.

Managers or employees of the Company or of companies of the ENAV Group, representatives of the independent auditing firm and other entities whose participation the Chairman considers useful with regard to the items on the agenda or the business to be conducted may attend to the Shareholders' Meeting.

Experts, financial analysts and accredited journalists may also attend the Shareholders' Meeting at the Chairman's discretion, as may other individuals who must submit a specific request to this end to the Legal and Corporate Affairs department of the Company, according to the procedures and terms set forth in the notice of call.

Before setting out the items on the agenda, the Chairman informs the Shareholders' Meeting of the participation and attendance of the above-mentioned individuals.

#### ***Proceedings of the Shareholders' Meeting***

The Shareholders' Meeting shall be chaired by the Chairman of the Board of Directors or, in their absence, by the deputy chairman if appointed, or by another person designated by the Shareholders Meeting. The Chairman is assisted by a secretary, who may be a person other than a shareholder, appointed by the Shareholders' Meeting upon proposal of the Chairman. When required by the law and in any other case in which the Chairman considers it appropriate, he may entrust assistance and drafting of the minutes to a notary public.

The Chairman of the Shareholders' Meeting confirms the regularity of the constitution of the meeting, verifies the identity and the legitimacy of those present, regulates the meeting proceedings and verifies the results of the voting; the outcomes of these verifications must be reported in the minutes.

The resolutions adopted by the Shareholders' Meeting, in compliance with the laws and with the Articles of Association, are binding upon all shareholders, including those who are not present or who dissent.

The resolutions of the Shareholders' Meetings shall be recorded in minutes, signed by the Chairman and the secretary of the meeting, or by a notary public.

The Company approves transactions with related parties pursuant to the provisions of the law and the regulations that are applicable, its own statutory provisions and the procedures adopted in this regard.

### ***Intervening at the Shareholders' Meeting***

Pursuant to the Shareholders' Meeting Regulation, the Chairman of the Shareholders' Meeting will facilitate the discussion, and grant the floor to the Directors, Statutory Auditors and the persons that have requested it.

Persons entitled to vote and the common representative of the bondholders may request the floor regarding issues being discussed only once, putting forth observations and requesting information. Persons entitled to vote may also make proposals. A request to intervene may be made at the time that the Shareholders' Meeting is established and until the Chairman declares the discussion on the specific issue closed. To ensure that the Shareholders' Meeting is conducted in an orderly manner, the Chairman is entitled to establish, whether upon opening or during the discussion of individual issues, a time limit for the submission of requests to intervene.

The Chairman establishes how requests are made and the order of interventions.

The Chairman, and upon the latter's invitation, those supporting the Chairman in the meeting, shall answer the speakers upon completion of all interventions on the issues under discussion, or after each intervention, also taking account of any questions put forth by shareholders prior to the Shareholders' Meeting to which the Company has not yet responded.

Those who have requested the floor may respond briefly.

Depending on the issue and significance of the individual topics under discussion, on the number of persons requesting the floor and on any questions submitted by shareholders prior to the Shareholders' Meeting that have not yet been answered by the Company, the Chairman shall establish the duration of interventions and responses, which normally shall not exceed ten minutes for interventions and five minutes for responses, in order to ensure that the Shareholders' Meeting can conclude its business within a single session. Before the end of the time allowed for the intervention or reply, the Chairman asks the speaker to conclude.

At the end of the interventions, replies and any responses, the Chairman declares the discussion closed.

### **9.3 The Shareholders' Meeting of 28 April 2017**

The 2017 Shareholders' Meeting called to approve the financial statements at 31 December 2016 was held on single call on 28 April 2017, with the participation of 75.79% of the share capital.

The Board of Directors took part in the meeting, reporting through the Chief Executive Officer a complete and adequate information to the shareholders on the items on the agenda, whose reports and proposed resolutions had been deposited within the terms of law at the company's registered office and published on the Company's website as well as with the other procedures established by the applicable regulations. These reports were also delivered in hard copy to the shareholders who attended the 2017 Shareholders' Meeting, together with additional documents in order to allow the aware exercise of voting rights.

On this occasion, the Shareholders' Meeting approved the Company's financial statements for the year 2016 and was presented with the consolidated financial statements.

Below is a survey of matters submitted for approval to the 2017 Shareholders' Meeting and a summary of the resolutions adopted.

#### **Dividend**

The 2017 Shareholders' Meeting resolved to pay shareholders a dividend of Euro 95,347,011.76, equivalent to Euro 0.176 per ordinary share. The dividend payment occurred on 24 May 2017, with ex-dividend date fixed on 22 May 2017 and record date on 23 May 2017. The dividend payment notice was published in the newspapers "Il Sole 24 Ore" and "Milano Finanza" on 29 April 2017.

### **Appointment of the Board of Directors**

The 2017 Shareholders' Meeting, after determining in 9 the number of members of the Board of Directors of the Company, appointed the new members of the Board of Directors, including the Chairman, with a term of office for the period 2017-2019 and therefore until the Shareholders' Meeting called to approve the financial statements at 31 December 2019.

### **Supplement to the Board of Statutory Auditors and redetermination of the remuneration of its members**

The 2017 Shareholders' Meeting, called upon to resolve with the majorities provided for by law, pursuant to Article 21.3 of the Articles of Association, on supplementing the Board of Statutory Auditors with the appointment of an alternate Auditor, on the basis of the proposal submitted, appointed as alternate Auditor Francesco Schiavone Panni. The office of the Auditor so appointed will expire together with that of the other members of the Board of Statutory Auditors, and therefore on the date of the Shareholders' Meeting called for the approval of the financial statements as of 31 December 2018.

The Shareholders' Meeting also resolved to re-determine the remuneration of the standing members of the Board of Statutory Auditors, at Euro 40,000 gross per year for the Chair of the Board and Euro 25,000 gross per year for each Standing Auditor.

### **Remuneration Report**

The 2017 Shareholders' Meeting voted in favour of the first section of the Remuneration Report prepared according to Article 123-ter, paragraph 3, of the TUF, approved by the Board of Directors on 16 March 2017 and containing the remuneration policy of the Company for the year 2017. The shareholders' vote on this point was favourable to the extent of 95.8% of the share capital present. The minority shareholders' vote on this point was favourable to the extent of 25% of the share capital present.

### **Performance share plan 2017-2019**

The 2017 Shareholders' Meeting, having examined the prospectus prepared by the Board of Directors pursuant to Article 84-bis of the Issuers Regulations, approved, according to Article 114-bis of TUF, the long-term share-based incentive plan denominated "*Performance Share Plan 2017-2019*", in accordance with the terms and conditions set out in the prospectus, and resolved to confer upon the Board of Directors and, on its behalf, upon the Chairman and the Chief Executive Officer, severally, the broadest execution powers required to implement the Performance Share plan 2017-2019, including the power of sub-delegation to the RN Committee, to be exercised in accordance with the application criteria outlined in the prospectus.

### **Authorisation to purchase treasury shares**

The 2017 Shareholders' Meeting, also in order to give effect to the "*Performance Share Plan 2017-2019*," approved, as proposed by the Board of Directors, the purchase and disposal of treasury shares up to a maximum of 850,000 under the conditions and within the limits referred to in the Shareholders' Meeting resolution.

## **10 OTHER CORPORATE GOVERNANCE PRACTICES**

### **10.1 Directors' Interests and Related Party Transactions**

In compliance with the provisions of the applicable regulations, and in particular with the provisions of Article 2391-bis of the Italian Civil Code and Article 4 of the Related Parties Regulation, with resolution on 21 June 2016 the Board of Directors of ENAV approved the "*Procedure governing transactions with related parties*" (the "OPC Procedure") of ENAV and the ENAV Group, recently amended by the Board of Directors on 13 November 2017. The Control, Risk and Related Parties Committee is, pursuant to the relevant CCRPC Regulation, also entrusted with the duties to operate as the committee as provided for by the OPC Procedure.

The OPC Procedure determines the criteria and procedures for identifying and mapping the related parties of the Company as well as the quantitative criteria for identifying transactions with related

parties carried out by ENAV, either directly or through its subsidiaries, trustees or persons interposed, of minor or major relevance, respectively, by regulating the investigation and approval process, in order to ensure transparency and substantial as well as procedural correctness of the same operations.

In particular, the OPC Procedure distinguishes between:

- transactions of a minor value: the transactions with related parties with a value not exceeding Euro 200,000 if concluded with natural persons and Euro 600,000 if concluded with legal persons, provided they do not contain elements of risks for investors which are connected to the characteristics of the transaction itself and provided that these transaction do not have a significant impact on the Company's equity, given their dimensions (the "Transactions of Minor Value");
- transactions of major significance: the transactions with related parties which feature at least one of the materiality indicators set forth in the OPC procedure, applicable according to the specific transaction, if the amount exceeds the 5% threshold, and the related party transactions, even if lower than the relevant above mentioned thresholds, have a strategic content that is significant or affects the operating independence of the Company or of its subsidiaries (the "Transactions of Major Significance");

In accordance with the provisions of Article 5, paragraph 2 of the Related Parties Regulation, under the OPC Procedure a Transaction of Major Significance may also result from the cumulation of multiple Transactions of Minor Significance (as defined below).

For the purposes of applying this cumulation, such transactions must be:

- of an amount higher than the Minor Value and lower than the threshold for determining Transactions of Major Significance
- realized during the same financial year
- entered into with the same related party
- not included amongst the exemptions provided for under the OPC Procedure
- homogeneous and/or realized as part of a unified plan, and therefore having common nature and characteristics or purposes for which they were effected. To that end, the transactions carried out by subsidiaries, domestic or otherwise, trustees or interposed persons shall also count

In presence of the above mentioned conditions, the value of individual transactions is aggregated for the purpose of calculating the threshold of Major Significance and the application of the related deliberation process, as well as for the reporting obligations.

- transactions of minor significance: the transactions with related parties other than Transaction of Major Significance and Transactions of a Minor Value (the "Transactions of Minor Significance");
- ordinary transactions concluded at arm's length or standard: These are transactions that fall under the ordinary operations of the Company and its connected financial activities which are concluded at arm's length at the conditions and terms usually applied for corresponding transactions in terms of size and risk, or which are based on regulated rates or prices which are imposed or applied to individuals/entities with which ENAV (or the companies that it directly and/or indirectly controls) is required by law to agree as specific amount of consideration.

The OPC Procedure does not apply with reference to certain types of transactions, even if concluded with related parties of the Company, including in particular:

- a) Transactions of Minor Value
- b) resolutions of the Shareholders' Meeting relative to remuneration payable to the Board of Directors pursuant to Article 2389 paragraph 1 of the Italian Civil Code

- c) resolutions regarding the remuneration of Directors with particular duties which fall under the total amount previously set by the Shareholders' Meeting pursuant to Article 2389, paragraph 3 of the Italian Civil Code
- d) resolutions of the Shareholders' Meeting regarding remuneration payable to the Board of Statutory Auditors, pursuant to Article 2402 of the Italian Civil Code

The following are also excluded from application of the OPC Procedure, without prejudice to the disclosure obligations:

- a) remuneration plans based on financial instruments approved by the Shareholders' Meeting pursuant to Article 114-*bis* of the TUF and the implementation operations thereof;
- b) resolutions regarding the remuneration of Directors and Board members vested with particular duties as well as of the Managers with strategic responsibilities provided that:
  - (i) the Company has adopted a remuneration policy
  - (ii) the CRPC Committee was involved in the defining the remuneration policy
  - (iii) a report illustrating the remuneration policy was submitted for the approval or the vote of the Shareholders' Meeting
  - (iv) the remuneration attributed is in line with this policy
- c) the ordinary transactions concluded under conditions equivalent to those of market or standard, without prejudice to the reporting obligations provided by law.
- d) the transactions with or between the subsidiaries, even jointly, by ENAV and the transactions with associated companies, provided that other related parties of the Company have no significant interests in the subsidiaries or associated companies that are counter parties in the transaction.

Central to the architecture of the OPC Procedure is the role of the CRPC Committee that is required to provide the deliberative body – the Board of Directors or other competent delegated body - a reasoned opinion, appraising the Company's interest in completing the transaction as well as its convenience and the substantial correctness of the related conditions. In order to enable the CRPC Committee to express the required opinions, the OPC Procedure establishes specific information flows, which in the case of Transactions of Major Significance include the negotiations stage.

In terms of its binding value, the opinion requested is:

- not binding in the case of Transactions of Minor Significance; however, in the presence of an unfavourable opinion, within 15 days after the end of each quarter of the financial year, the Company provides the public a document containing, for each such transaction, indication of the counter party, the object and the amount for the transactions approved in the quarter of reference, indicating the reasons why it deemed not to abide by that opinion. In the same term, the opinion shall be made available to the public as an annex to the cited document;
- binding, in the case of Transactions of Major Significance; in the presence of an unfavourable opinion, the Company's Board of Directors may submit the Transaction of Major Significance for authorisation to the Shareholders' Meeting. In this case, without prejudice to compliance with the quorum required for establishment and resolutions of the Shareholders' Meeting and save as otherwise provided by the Articles of Association or required by the law, the Transaction of Major Significance cannot be concluded if the majority of the non-related shareholders with voting rights expresses a vote against on same, provided that the latter shareholders represent at the meeting at least 10% of the share capital with voting rights.

A simplified procedure is then provided for in cases of urgency for approval in derogation of the rules provided for by the OPC Procedure of the transactions with related parties, provided that such transactions do not fall under the competence of the Shareholders' Meeting, notwithstanding in any case the provision of a non-binding vote on such transactions expressed *a posteriori* by the first available ordinary Shareholders' Meeting of the Company.

In addition to the foregoing, the Board of Directors, the Board of Statutory Auditors and the Financial Reporting Officer receive complete disclosure at least every three months on the implementation of the Transactions with related parties both of Major and Minor Significance. The OPC Procedure also governs, in compliance with the requirements of the Related Parties Regulation, the public disclosure of transactions with related parties carried out by ENAV and its subsidiaries.

The OPC Procedure is available on the Company's website at [www.enav.it](http://www.enav.it).

### **10.2 Handling of Corporate Information**

On 29 March 2016 the Board of Directors approved the "*Procedure for the internal management and disclosure to the public of inside information*", (the "Inside Information Procedure") which was subsequently amended on 6 July 2016 following the entry into effect of (EU) regulation 596/2014.

The Inside Information Procedure defines the principles and rules relative both to the internal management and the communication outside the Company of documents and information regarding ENAV and its subsidiaries, with particular reference to sensitive information. The rules and principles contained in the Inside Information Procedure aim at ensuring the observance of the provisions of the law and the regulations applicable and to ensure maximum confidentiality and secrecy of the sensitive information or information that can become sensitive, in order to avoid selectively communicating documents and information which concern ENAV and the Group, i.e. early releasing to specific individuals, such as, for example, shareholders, journalists or analysts, or incomplete or inadequate release.

The Inside Information Procedure aims at ensuring that the members of the administration, management and control bodies and the employees of the Company and of the companies of the Group, as well as the individuals who, due to their work or profession, have regular or occasional access to sensitive information relative to the Company or the companies of the Group (the "Recipients"), (i) maintain maximum confidentiality of the information acquired during the pursuit of their work or professional duties, functions or office, in particular the sensitive information or the information which can become sensitive, and do not disseminate this information or reveal it to any person, (ii) use the sensitive information or the information that can become sensitive only in relation to their work or professional duties, function or office and therefore do not use it, for any reason or cause, for personal ends, (iii) ensure maximum secrecy and confidentiality of the sensitive information or the information that can become sensitive until such information is disclosed to the market in compliance with the procedures set forth in the Inside Information Procedure and (iv) immediately inform the competent functions, including the Investor Relations, Communication, Administration, Finance and Control and the Legal and Corporate Affairs departments in relation to information that is pertinent, regarding any action, fact or omission that could constitute a violation of the Sensitive Information Procedure.

Furthermore, on 29 March 2016, the Company adopted the "Procedure for establishment and updating of the register of persons with access to inside information", which was subsequently amended on 6 July 2016 following the entry into effect of the "EU" regulation the 596/2014 (the "Registry Procedure").

The Inside Information Procedure and Registry Procedure are available on the Company's website at [www.enav.it](http://www.enav.it).

### **10.3 Internal Dealing**

On 29 March 2016, the Board of Directors approved the "Internal Dealing Procedure" relating to regulating the disclosure obligations and restrictions for transactions involving financial instruments issued by the Company or derivatives or other financial instruments linked thereto, insofar as they are carried out by certain significant parties and by the parties closely related thereto.

Such procedure has been amended by the resolutions of the Board of Directors respectively on 6 July 2016 and recently on 27 February 2018, mainly in order to align the Internal Dealing Procedure with EU Regulation 596/2014 and its domestic legislation of first and second level.

The ENAV Board of Directors on 27 February 2018 also adopted a code of conduct for significant shareholders (the "Internal Dealing Code") relating to transactions involving securities issued by ENAV, such as derivatives or financial instruments linked thereto, insofar as carried out by significant



shareholders (i.e., shareholders holding at least 10% of ENAV share capital) and by parties closely related thereto.

#### 10.4 Code of Ethics

The rules of the Code of Ethics apply to all the corporate bodies, the management, the employees, external associates, commercial partners, suppliers and all those who have relations with the Company and in general the companies that belong to the ENAV Group.

In particular, the Code of Ethics regulates all the rights, duties and responsibilities that ENAV expressly assumes toward the stakeholders with which it interacts on a daily basis as it pursues its activities.

The adoption of certain standards of conduct to be observed in interactions with third parties is part of the Company's commitments, including in relation to preventing the crimes set forth under Legislative Decree 231 of 2001, and the prevention of corruption and fraud.

Furthermore, the Code of Ethics follows the principles set forth in the *“Code of conduct for public employees”* included in Presidential Decree No. 62 of 16 April 2013, issued by the Government to *“ensure, [...], compliance with the constitutional duties of diligence, loyalty, impartiality and exclusive service in the public interest”*.

ENAV's Code of Ethics recognises the following principles and fundamental values for the affirmation of the Company's mission, which the various stakeholders must refer to in order to foster the good operation, the reliability and reputation of the Company:

- Legality
- Safety
- Confidentiality
- Honesty and correctness
- Responsibility
- Equality
- Integrity
- Transparency
- Equity
- Sustainability

The rules set forth in the Code of Ethics constitute an essential part of the contractual obligations assumed by the personnel pursuant to Article 2104 of the Italian Civil Code.

Pursuant to the applicable laws, the Company assesses behaviours that violate the principles of the Code of Ethics applying, in the exercise of its prerogatives as an employer, the disciplinary sanctions that are warranted, based on the seriousness of the events.

The Code of Ethics is available to the public on the Company's website at [www.enav.it](http://www.enav.it).

#### 10.5 The Organisation Model pursuant to Legislative Decree 231/2001

ENAV considered it appropriate with regard to its own corporate policies as well as to its statutory mandate to implement the Organisation and Management Model provided under Legislative Decree No. 231/2001. To this end, as noted above, the Company by resolution of the Board of Directors *pro tempore*, on May 27 2004 already approved its Organisational Model, emphasizing, in the design of the system for prevention of offences, the broader involvement of the owners of sensitive processes, who are an active part in ensuring compliance with the Organisational Model and Code of Ethics, also allowing the proper application of the sanction system provided.

Following the organisational changes intervened and the introduction of new types of criminal offences within the *corpus* of Legislative Decree 231/2001, as well as of any other assessment as to the completeness and effectiveness of the Organisational Model, the Company has over the years – and recently during the first months of 2018 - constantly maintained and updated the Organisational Model in order to preserve over time the requisite durability, functionality and effectiveness.

For more information, please refer to paragraph 5.4 of this Report.

## 11 CHANGES AFTER BALANCE SHEET DATE

There have been no changes to the Corporate Governance of ENAV from the end of the financial year up to the date of this Report.

## 12 CONSIDERATIONS ON THE LETTER DATED 13 DECEMBER 2017 FROM THE CHAIRMAN OF THE CORPORATE GOVERNANCE COMMITTEE

On 13 December 2017, the Chairman of the Corporate Governance Committee, formed by the enterprise associations ABI, ANIA, Assonime, Confindustria and professional investors (Assogestioni), as well as by Borsa Italiana S.p.A. (the "Corporate Governance Committee"), exercising the prerogatives entrusted thereto by the Corporate Governance Code, addressed the Chairs of the administrative and control bodies of listed companies in a letter detailing, with reference to specific areas of corporate governance, certain directions aimed at a better compliance of the same issuers with the recommendations contained in the Corporate Governance Code.

The recommendations formulated in the letter were brought to the attention of the ENAV's Board of Directors at the induction session on 2 February 2018 and at the meeting of 27 February 2018, and to the Board of Statutory Auditors at its meeting on 16 February 2018.

The following is an examination of the governance profiles addressed in the above mentioned letter and a concise summary of the actions undertaken by the Company or the considerations of the Board of Director in this regard.

As for the transparency on promptness, completeness and usability of the pre-board meeting information, the Board notes that the pre-board information is prompt and includes all the documentation required to render the Directors fully aware of all the issues submitted to their attention. The convocation, which is always timely in compliance with the terms as required by the Articles of Association, normally contains all the documentation required, except for rare exceptions due to the need to supplement such documentation, which are clearly indicated within the convocation notice. In particular, the Board notes that during the Financial Year the terms set by the Articles of Association for sending the pre-meeting information were always respected. The outcomes of the board evaluation process consistently confirmed the timeliness in transmitting the documentation and its completeness.

As for the clarity and completeness of the remuneration policies, and for the recommendation to assign more weight to the long-term variable components of these policies, to introduce claw-back clauses and to define criteria and procedures for assigning any severance compensation at the end of the office, the Board of Directors considers that, during the year, the Company continued the development of its remuneration policy, already set in the recommended direction; in this respect, of particular relevance are the resolutions adopted by the Board of Directors that concern, *inter alia*: (i) the substantial confirmation of an incentive system characterised by a combination of short term and long term plans linked to performance; (ii) the adoption of the implementing regulations for the long-term incentive plan denominated Performance Share 2017-2019, with objectives consistent with market expectations and with the Company's business, running over a three-year vesting period; (iii) the introduction of specific clawback clauses with reference to the variable part of executive compensation; and (iv) the updating of some elements related to severance for the Chief Executive Officer. For more information and greater detail about ENAV remuneration policy, please refer to the remuneration report prepared in accordance with Article 123-ter of the TUF, published in the "Governance" section at [www.enav.it](http://www.enav.it).

With regard to the recommendations concerning the establishment and the prerogatives of the committee competent on appointments, the Board noted that the Company, on 21 June 2016, in view of the then imminent listing and in compliance with the recommendations of the Corporate Governance Code, established the Remuneration and Appointments Committee, thereafter reconstituted following the renewal of the Board of Directors. Although this Committee was established in a form merged with the one competent on remuneration matters, insofar as permitted by the Articles of Association, the regulation of the Remuneration and Appointments Committee approved by the Board of Directors clearly distinguishes the responsibilities of the Committee concerning remuneration from those concerning appointments. For more detail on the prerogatives of the RN Committee relating, respectively, to remuneration and appointments, please refer to paragraph 4.1 of this Report.

With regard to additional governance areas susceptible of qualitative improvement, and especially regarding the succession plans for executive directors, having regard to the indications referred to in Application Criterion 5.C.2 of the Corporate Governance Code, during the reference financial year, on 27 February 2018 the Board of Directors, upon proposal of the Remuneration and Appointments Committee and in continuity with the resolution by the administrative body *pro tempore* on 21 June 2016, voted not to proceed with adopting a succession plan for the executive directors, taking into account considerations relating to the shareholding structure and the fact that, by law and according to the Articles of Association, the Directors are appointed by the Shareholders' Meeting on the basis of the lists presented by shareholders. On the same date, the Board of Directors, at the proposal of the Remuneration and Appointments Committee, resolved to adopt the "Contingency Plan aimed at regulating the steps to be undertaken in case of the Chief Executive Officer's early termination from office before the ordinary expiry of the mandate, or in the event of unforeseen and unforeseeable events that prevent the Chief Executive Officer - the sole Executive Director of ENAV – to carry out the relevant duties in order to ensure continuity in the regular operations of the Company, pending appointment of a new chief executive officer.

With regard to the recommendations concerning the role of the independent Directors and the importance of the related assessment of independence, and referencing section 3.12 of this Report, it is noted that the Board of Directors, on the occasion of its taking office, assessed the independence of the Directors in accordance with the law and the Corporate Governance Code, and therefore having regard to considerations of both a substantial and formal nature, and that the Board of Statutory Auditors also evaluated the correctness of the procedures adopted by the Board of Directors for the purposes of this assessment.

Finally, with regard to the recommendation concerning the importance of structuring procedures for the board review, as shown in more detail in paragraph 3.8 of this Report, in the first year of its mandate the Board of Directors launched a structured board evaluation process to be conducted over a three-year period with the support of an external independent advisor and through interviews, questionnaires and induction sessions. Such process includes the assessments of the Board in respect of its functioning and contribution to strategic issues, as well as with reference to the role performed in determining the Company's risk appetite and in defining guidelines for the internal control and risk management system. In the context of the self-assessment relating to the year 2017, the Board also stressed the completeness and comprehensiveness of the information received on management and business development.

### SECTION III - SUMMARY TABLES

**TABLE 1: INFORMATION ON THE OWNERSHIP STRUCTURE**

<b>SHARE CAPITAL STRUCTURE</b>				
<b>Share Category</b>	<b>Number of shares</b>	<b>% of share capital</b>	<b>Listing Market</b>	<b>Rights and obligations</b>
Ordinary shares	541,744,385	100	Mercato Telematico Azionario	The shares are non-divisible and every share carries one voting right. The shares are registered and freely transferable.

As of the date of this Report, the Company does not hold treasury shares in its portfolio. The MEF holds 53.28% of the share capital; the floating part amounts to 46.72%.

**TABLE 2: STRUCTURE AND COMPOSITION OF BOARD OF DIRECTORS AND COMMITTEES**

Board of Directors (in office since 28 April 2017)													Control, Risks and Parties Related Committee		Remuneration and Appointments Committee	
Office	Members	Year of birth	Date of initial appointment*	In office since	In office until	Slate **	Exec.	Non. exec.	Indep. Code	Indep. TUF	No. of other offices ***	% (*)	(*)	(**)	(*)	(**)
<b>Chairman</b>	Roberto Scaramella	1967	28/04/2017	28/04/2017	approval of the 2019 financial statements	<b>M</b>	-	<b>X</b>	-	<b>X</b>	-	<b>10/10</b>	-	-	-	-
<b>Chief Executive Officer (◊)(●)</b>	Roberta Neri	1964	30/06/2015	28/04/2017	approval of the 2019 financial statements	<b>M</b>	<b>X</b>	-	-	-	<b>2</b>	<b>10/10</b>	-	-	-	-
<b>Director</b>	Giuseppe Acierno	1968	28/04/2017	28/04/2017	approval of the 2019 financial statements	<b>M</b>	-	<b>X</b>	<b>X</b>	<b>X</b>	-	<b>8/10</b>	-	-	<b>10/10</b>	<b>M</b>
<b>Director</b>	Maria Teresa Di Matteo	1958	19/09/2014	28/04/2017	approval of the 2019 financial statements	<b>M</b>	-	<b>X</b>	-	-	-	<b>10/10</b>	-	-	<b>10/10</b>	<b>M</b>
<b>Director</b>	Nicola Maione	1971	19/09/2014	28/04/2017	approval of the 2019 financial statements	<b>M</b>	-	<b>X</b>	<b>X</b>	<b>X</b>	<b>1</b>	<b>10/10</b>	<b>9/9</b>	<b>P</b>	-	-
<b>Director</b>	Fabiola Mascardi	1962	28/04/2017	28/04/2017	approval of the 2019 financial statements	<b>m</b>	-	<b>X</b>	<b>X</b>	<b>X</b>	<b>1</b>	<b>10/10</b>	-	-	<b>10/10</b>	<b>M</b>

<b>Director</b>	Carlo Paris	1956	28/04/2017	28/04/2017	approval of the 2019 financial statements	m	-	X	X	X	-	10/10	-	-	10/10	P
<b>Director</b>	Antonio Santi	1977	28/04/2017	28/04/2017	approval of the 2019 financial statements	m	-	X	X	X	1	9/10	9/9	M	-	-
<b>Director</b>	Mario Vinzia	1962	29/04/2016	28/04/2017	approval of the 2019 financial statements	M	-	X	-	-	-	10/10	9/9	M	-	-

<b>No. of BoD meetings held in the Year and since 28 April 2017: 10</b>	<b>Control, Risks and Related Parties Committee: 9</b>	<b>Remuneration and Appointments Committee: 10</b>
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**Quorum required for presentation of the minority lists for election of one or more members (pursuant to Article 147-ter of the TUF): 1%**

In the "Office" column

- This symbol indicates a Director in charge of the System of Internal Control and Risk Management

◊ This symbol indicates the person who is the Issuer's (*Chief Executive Officer* or CEO).

\* The date of initial appointment is the date on which the director was appointed for the absolutely first time to the Issuer's BoD.

\*\* This column shows the list from which each Director was taken ("M": majority list; "m": minority list; "BoD": the list submitted by the Board of Directors).

\*\*\*this column reports the number of positions held by the person concerned as director or statutory auditor in other companies listed on regulated markets, including abroad, as well as in financial companies, banks, insurance companies, or other large companies. This Report shows the assignments in full.

(\*) This column indicates the attendance of the Directors at the meetings respectively of the BoD and the committees compared to the total meetings they might have attended.

(\*\*) This column indicates the position of the director within the Committee: "P": president/chair; "M": member.

Board of Directors (in office until 28 April 2017)													Control, and Parties Committee	Risks Related	Remuneration and Appointments Committee	
Office	Members	Year of birth	Date of initial appoint ment*	In office since	In office until	Slate **	Exec.	Non. exec.	Indep. Code	Indep. TUF	No. of other offices ***	% (* )	(*)	(**)	(*)	(**)
<b>Chairman</b>	Ferdinando Falco Beccalli	1949	30/06/2015	30/06/2015	approval of the 2016 financial statements	-	-	X	-	-	3	5/5	-	-	-	-
<b>Chief Executive Officer (0)(•)</b>	Roberta Neri	1964	30/06/2015	30/06/2015	approval of the 2019 financial statements	-	X	-	-	-	2	5/5	-	-	-	-
<b>Director</b>	Stefano Siragusa	1976	29/04/2016	29/04/2016	approval of the 2016 financial statements	-	-	X	X	X		4/5	5/6	M	5/5	P
<b>Director</b>	Alessandro Tonetti	1977	19/09/2014	19/09/2014	approval of the 2016 financial statements	-	-	X				4/5	-	-	4/5	M
<b>Director</b>	Maria Teresa Di Matteo	1958	19/09/2014	19/09/2014	approval of the 2019 financial statements	-	-	X	-	-	-	5/5	-	-	-	
<b>Director</b>	Nicola Maione	1971	19/09/2014	19/09/2014	approval of the 2019 financial statements	-	-	X	X	X	1	5/5	6/6	P	5/5	M

<b>Director</b>	Mario Vinzia	1962	29/04/2016	29/04/2016	approval of the 2019 financial statements	-	-	X	-	-	-	5/5	6/6	M	-	-
<b>No. of BoD meetings held in the Year until 28 April 2017: 5</b>						Control, Risks and Related Parties Committee.: 6						Remuneration and Appointments Committee: 5				
<b>Quorum required for presentation of the minority lists for election of one or more members (pursuant to Article 147-ter of the TUF): 1%</b>																
<p>In the "Office" column</p> <ul style="list-style-type: none"> <li>• This symbol indicates a Director in charge of the System of Internal Control and Risk Management</li> </ul> <p>◊ This symbol indicates the person who is the Issuer's (<i>Chief Executive Officer</i> or CEO).</p> <p>* The date of initial appointment is the date on which the director was appointed for the absolutely first time to the Issuer's BoD.</p> <p>** The Board of Directors in Office in office until 28 April 2017 was not elected through the voting mechanism, since the appointment took place prior to the listing of the Company's shares.</p> <p>***this column reports the number of positions held by the person concerned as director or statutory auditor in other companies listed on regulated markets, including abroad, as well as in financial companies, banks, insurance companies, or other large companies. This Report shows the assignments in full.</p> <p>(*) This column indicates the attendance of the Directors at the meetings respectively of the BoD and the committees compared to the total meetings they might have attended.</p> <p>(**) This column indicates the position of the director within the Committee: "P": president/chair; "M": member.</p>																



**TABLE 3: STRUCTURE OF THE BOARD OF STATUTORY AUDITORS**

<b>Board of Statutory Auditors in office</b>									
<b>Office</b>	<b>Members</b>	<b>Year of birth</b>	<b>Date of initial appointment*</b>	<b>In office since</b>	<b>In office until</b>	<b>Slate **</b>	<b>Indep. Code</b>	<b>Attendance at the Board meetings ***</b>	<b>No. of other offices ****</b>
<b>Chairman</b>	Franca Brusco	1971	29/04/2016	29/04/2016	approval of the 2018 financial statements	-	X	14/14	5
<b>Acting auditor</b>	Mattia Berti	1968	20/06/2016	21/06/2016	approval of the 2018 financial statements	-	X	12/14	13
<b>Acting auditor</b>	Donato Pellegrino	1948	20/07/2015	29/04/2016	approval of the 2018 financial statements	-	X	14/14	0
<b>Alternate Auditor</b>	Maria Teresa Cuomo <sup>1</sup>	1973	29/04/2016	29/04/2016	approval of the 2018 financial statements	-	X	-	2
<b>Alternate Auditor</b>	Francesco Schiavone Panni	1954	28/04/2017	28/04/2017	approval of the 2018 financial statements	-	X	-	6
<b>Statutory auditors who resigned during the fiscal year</b>									
No Statutory Auditors resigned their office during the reference year.									
<b>Number of meetings that took place during the fiscal year: 14</b>									
<b>Quorum required for presentation of the minority lists for election of one or more members (pursuant to Article 148-ter of the TUF): 1%</b>									

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NOTES

\* The date of initial appointment of each statutory auditor is the date on which the auditor was appointed for the first time to ENAV's Board of Statutory Auditors.

\*\* The Board of Statutory Auditors in office as at the date of this Report was not elected through the voting mechanism, since the appointment took place prior to the listing of the Company's shares. The appointment with the list vote will be applicable at the next reconstitution of the entire body, on the occasion of the Shareholders' Meeting called to approve the financial statements for the year 2018.

\*\*\* This column indicates the attendance of the auditors at the meetings relative to the total meetings they might have attended.

\*\*\*\* This column reports the number of positions held by the person concerned as Director or Statutory Auditor pursuant to Article 148-bis TUF and the relative implementing provisions included in the CONSOB Issuers' Regulations. The complete list of these positions is published on Consob's website, in accordance with Article 144-quinquiesdecies of the Consob Issuers' Regulation.

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<sup>i</sup>Appointed as alternate auditor of the ENAV board of Statutory Auditors on 29 April 2016, Dr. Cuomo has performed the duties of Standing Auditor, replacing resigning auditor Gennaro Pappacena until the body was reconstituted by the Shareholders' Meeting of 20 June 2016.