



**REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE
FOR FINANCIAL YEAR 2016**

Approved by the Board of Directors of ENAV S.p.A. 16 March 2017
Drafted pursuant to Article 123-*bis* of the Consolidated Finance Act

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GLOSSARY

Shareholders' Meeting	The Ordinary Shareholders' Meeting of ENAV
Code or Code of Conduct	The Code of Conduct for listed companies, approved by the Corporate Governance Committee of Borsa Italiana S.p.A. in March 2006, as subsequently amended or supplemented
Board of Statutory Auditors	The Board of Statutory Auditors of ENAV
Board of Directors	ENAV's Board of Directors
Listing Date	The first date of trading of the ordinary shares of ENAV S.p.A. on the MTA (<i>Mercato Telematico Azionario</i>) organised and managed by Borsa Italiana S.p.A., i.e. 26 July 2016
ENAV or the Company	ENAV S.p.A.
Financial Year	Financial year 2016
Stock Exchange Regulation Instructions	The Instructions to the Rules of the Markets organised and managed by Borsa Italiana S.p.A.
Stock Exchange Regulations	Rules of the Markets organised and managed by Borsa Italiana S.p.A.
Issuer's Regulation	The Regulation issued by CONSOB through resolution 11971 of 14 May 1999 regarding issuers, as amended and supplemented
Market Regulation	The Regulation issued by CONSOB through resolution 16191 of 29 October 2007, as amended and supplemented
Related Parties Regulation	The Regulation issued by CONSOB through resolution 17221 of 12 March 2010, concerning related party transactions as amended and supplemented.
Report	This report on corporate governance and the ownership structure pursuant to Article 123- <i>bis</i> of the TUF
Subsidiaries	The companies which are controlled by ENAV pursuant to Article 2359 of the Italian Civil Code and Article 93 of the TUF
External Auditors	EY S.p.A.
Articles of Association	The Articles of Association of ENAV in effect as at the date of this Report
Consolidated Finance Act (TUF)	Legislative Decree 58 of 24 February 1998 and subsequent amendments and additions

1. INTRODUCTION

Following the authorisations issued by the competent stock market and market authorities, and specifically (i) deliberation no. 8226 of 29 June 2016 with which Borsa Italiana ruled to admit to trading the shares of ENAV S.p.A. on the *Mercato Telematico Azionario* (screen based share Market) which is organised and operated by Borsa Italiana (hereinafter also “MTA”) and (ii) a) deliberation CONSOB no. 0061337/16 dated 1 July 2016 approving the Registration Document, b) deliberation CONSOB no. 0063396/16 dated 7 July 2016 approving the Summary Note and the Securities Note, which together constitute the prospectus relating to the admission to public offering and trading of the Company shares on the MTA (as supplemented by the Supplement approved by CONSOB on 19 July 2016, the “Prospectus”) – the Company’s shares are listed and traded on the MTA as from 26 July 2016.

With regard to the aforementioned, from the first half of the financial year ended 31 December 2016, ENAV adopted procedures, policies, resolutions and took other required actions, to initiate the process of adjustment and transition of its own corporate governance structure from its original form, which was typical of a company fully controlled by the State, to a structure in compliance with the recommendations (principles, application criteria and comments) contained in the Code of Conduct for listed companies issued by Borsa Italiana – which the Company’s Board of Directors resolved to adhere to at its meeting of 17 February 2016 – and the provisions (including of a regulatory nature) referring to listed companies, including in particular Legislative decree 58 of 24 February 1998 (hereinafter also the “Consolidated Finance Act” or the “TUF” and CONSOB resolution no. 11971 of 14 May 1999 (hereinafter also the “CONSOB Issuers Regulation”).

This Report illustrates the corporate governance system of ENAV applicable from 26 July 2016, the date on which its shares started trading on the MTA. Such system consists of a series of principles, rules and procedures which comply with the contents of the Code of Conduct and with the recommendations formulated by CONSOB on this subject and, more generally, with the international best practices.

ENAV’s corporate governance system, also considering the social role attributed to the Company’s operations, pursues the main objective of creating value for its shareholders over the medium-long term and adequately balancing and safeguarding all the relevant interests involved.

2. CORPORATE GOVERNANCE MODEL

ENAV's corporate governance system is structured according to the so called "traditional model of administration and control", and is characterised by:

- the Board of Directors which is vested with the power to manage the Company and perform all the operations required to implement the corporate purpose;
- the Board of Statutory Auditors, which is called upon to monitor (i) compliance with the law and the principles of correct management; (ii) the adequacy of the organisational structure in the areas under its competence, of the internal control system and of the administrative-accounting system and the reliability of the latter in correctly representing the management operations; (iii) the actual procedures in place aimed at implementing the corporate governance rules set forth in the Code of Conduct; (iv) the adequacy of the guidelines provided by the Company to its subsidiaries pursuant to Article 114, paragraph 2 of the TUF; (v) the financial information process, the effectiveness of the internal control systems, of the internal audit and of risk management, the legal audit of the annual accounts and the consolidated accounts and the independence of the external auditing firm; (vi) the compliance of the procedures of the Company regarding transactions with related parties with the principles set out in the Related Parties Regulation and the observance thereof;
- the Shareholders' Meeting which is authorised to resolve upon the matters specifically under its competence pursuant to the law or the Articles of Association.

The legal audit of the accounts of the Company and its Subsidiaries is performed by the External Auditing Firm, which is registered with the register of statutory auditors and has been appointed by the respective Shareholders' Meeting of ENAV and of its Subsidiaries.

3. INFORMATION ON OWNERSHIP STRUCTURE

3.1. 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, and consists of no.541,744,385 ordinary shares without indication of the nominal value.

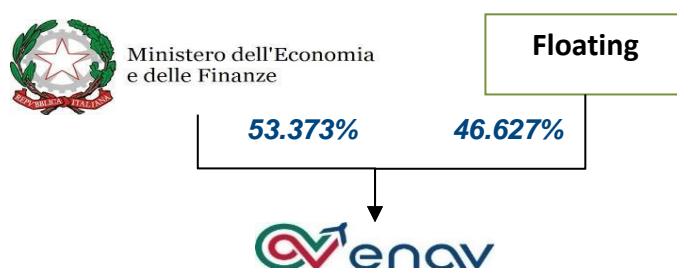
The ENAV shares are non-divisible and every share confers one voting right. The shares are freely transferable.

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 Table 1 attached to this Report.

3.2. 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 53.373% of the share capital – holds more than 3% of ENAV's shares, whether directly or indirectly.



3.3. Shares that Confer Special Control Rights

The Company has issued no shares that confer special rights.

3.4. 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 a power of attorney 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, Article 8.1 of the Articles of association provides that, to facilitate the collection of the proxies from the shareholders, employees of the company or its subsidiaries, who are associated to shareholders' associations that meet the requirements set forth by the applicable laws, areas to be used for the communication and the collection of proxies shall be provided to these 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 employee shareholders.

3.5. Restrictions on Voting Rights

As required by Article 3 of Legislative Decree 332 of 31 May 1994, converted with amendments into Law no. 474 of 30 July 1994, Article 6.5 of the Articles of Association provides a limit to share ownership that 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, and by public entities and entities controlled by the latter.

The maximum limit of share ownership allowed is calculated also taking into account the overall equity interests held by: (i) the parent entity, whether a natural or legal person, entity or company; all direct or indirect subsidiaries as well as those which are controlled by a single controlling entity; (ii) all associated entities as well

as natural persons connected by family relationships by blood or marriage, or who are related up to the second degree or who are spouses, provided that they are not legally separated.

The notion of control applies also in relation to entities/individuals other than companies, in the cases set forth under Article 2359, paragraph 1 and 2 of the Italian Civil Code. The notion of connection falls under the assumption set forth under Article 2359, paragraph 3 of the Italian Civil Code and also applies to individuals/entities who directly or indirectly, through subsidiaries, other than mutual investment funds, participate, including with third parties, in agreements related to the exercise of the voting right or of the transfer of shares or units of third party companies or in any case agreements or covenants as these are set forth under Article 122 of the TUF, as applicable from time to time or as eventually replaced, in relation to third party companies, when these agreements or covenants refer to at least 10% of the capital with voting rights, if they involve listed companies or 20% for non-listed companies.

The voting right and other rights not concerning equity, inherent in the shares held in excess of the maximum limit of 5%, cannot be exercised.

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 applies to will be reduced proportionally, save for prior joint instructions provided jointly by the interested shareholders.

In the event of non-compliance, the resolution can be challenged pursuant to Article 2377 of the Italian Civil Code. 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.

Pursuant to the aforementioned Article 3 of the Legislative Decree no. 332 of 31 May 1994, 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.

3.6. 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.

ENAV exercises several of the significant activities in the sector of energy, transportation and communications under point (i) above, and is therefore subject to the rules under Article 2 of Legislative Decree 21/2012 and the relevant implementing provisions.

In particular Article 2 of Legislative Decree 21/2012 establishes that the State can:

- a) veto resolutions, acts and operations which, 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) impose conditions on 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) oppose an acquisition, if under point (b) above, 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.

With regard to companies that hold one or more strategic assets in the sectors of defence and National Security, as per point (b) above, Article 1 of Legislative Decree 21/2012 establishes that the State, in the event of a concrete threat that would result in serious harm to essential defence and national security interests may:

- (i) impose specific conditions relative to the safety of the procurement, 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. To this end, the equity interests held by third parties with which the purchaser has stipulated one of the agreements mentioned under Article 122 of the TUF, as subsequently amended, and those under Article 2341-*bis* of the Italian Civil Code, are also included.

Any entity, except for the Italian State, Italian public entities or entities controlled by the latter, that acquires an equity interest in companies that operate in strategically significant sectors related to national security and defence, that exceeds the threshold set forth under Article 20, paragraph 2 of the TUF or an equity investment that exceeds the thresholds of 5%, 10%, 15%, 20% and 25% or an entity that is external to the European Union that acquires an interest and companies that carry out operations that are strategically significant for the energy, transport and communications sector, of such a significance that they would result in a permanent establishment of the purchaser pursuant to the latter's acquisition of control of such company, pursuant to Article 2359 of the Italian Civil Code and the TUF, is required to declare this purchase, within ten days from its execution, to the Chairman of the Council of Ministers, together with any information that would be useful with a view to providing a general description of the project which the purchaser acquired and the latter's areas of operations. The Chairman of the Council of Ministers will communicate any imposition of terms and conditions or the exercise of the veto, within fifteen days from such declaration. Should it be necessary to request information from such company, this deadline will be suspended only once, until receipt of the information that has been requested, which must be provided within a ten days. Any requests for information subsequent to the first request will not result in suspension of the deadlines, after which the acquisition can be completed.

Until notification and, subsequently, until the deadline for the imposition of the terms and conditions or the exercise of the veto has expired, the voting rights or any rights other than property rights, connected to shares that constitute the significant equity investment, will be suspended.

Should the Chairman of the Council of Ministers exercise the power to impose such conditions, in the event of non-compliance or violation of the conditions imposed upon the purchaser, for the entire period that the non-compliance or violation is ongoing, any voting rights or, in any case, rights other than property rights, which are connected to the shares or units that represent the significant equity investment will be suspended. Any resolutions adopted based on the casting vote of such shares or units, and any resolutions or acts adopted which violate or are non-compliant with the conditions that have been imposed, will be invalid.

A purchaser who does not observe the conditions that have been imposed will furthermore be subject to an administrative fine equal to double the value of the transaction and in any case not lower than 1% of the turnover in the last financial year for which financial statements have been approved, unless the action constitutes a crime.

Should the Chairman of the Council of Ministers exercise the power to oppose the acquisition of the equity investment, the seller shall not be entitled to exercise the voting right or any rights the content of which is other than property related, connected to shares that represent the significant equity investment and shall be required to sell these shares within one year. In the event of failure to comply, upon the request of the Chairman

of the Council of Ministers, the court will order the sale of the aforementioned shares according to the procedures set forth under Article 2359-*ter* of the Italian Civil Code. Any resolutions of the shareholders' meetings adopted with the casting vote of such shares will be invalid.

The Decree of the Chairman of the Council of Ministers issued on 10 June 2016, pursuant to 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 aimed at disciplining 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 safeguarding access to and confidentiality of the sensitive data for National Security purposes, which are also compliant with the laws regulating this matter. In particular, the Company has in place an Internal Security Regulation which governs the function of ENAV's Central Security Body in order to ensure administrative protection of state secrets and classified information and exclusive disclosures thereof. 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, as required by applicable laws, and in particular the Decree of the Chairman of the Council of Ministers no. 5 of 6 November 2015.

3.7. Shareholder Agreements

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

3.8. Change of Control Clauses in Significant Agreements and Provisions of the Articles of Association Regarding Takeover Bids

a) *Loan from the European Investment Bank*

In October 2014, the European Investment Bank (hereinafter the "Bank" or the "EIB") granted a credit line of €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 was concluded with the EIB (the first loan contract) for an amount of €180 million, of which €100 million has been drawn, with a duration of 15 years (expiring on 19 December 2029) and a period of availability for use of the credit line until 15 December 2017.

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 inform 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 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.) (the "Bank") 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 of the contract, with full repayment upon expiration ("bullet"), except if the Company exercises the contractually allowed option to extend the duration of the loans for an additional 60 months. On 30 June 2013, the Company exercised the option to extend the above-mentioned duration, 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 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. (the "Bank") for an amount of €10 million (the outstanding amount as of 31 December 2016 was approximately €5 million) expiring 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 shareholder 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.

The Bond Issue documentation also provides the holders of the loan the option of requesting early repayment of the bond at 101% of its 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, hold control of the Issuer.

"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 drawn by ENAV on a rotating base.

Among other things the contract provides that in the event of a change of control (whereby an entity or group of entities other than a qualified shareholder obtains control of the Company) (hereinafter "Change of Control"), ENAV 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 roles under Article 104-*bis*, paragraph 2 and 3, of the TUF.

3.9. 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.

Furthermore, as at the date of this Report, the Shareholders' Meeting has not authorised the purchase of treasury shares. To this end, we hereby note that in its meeting of 16 March 2017 the Board of Directors resolved to propose to the shareholders meeting convened for the approval of the financial statements as at 31 December 2016, to grant to the Board of Directors the authorisation to buy and sell treasury shares pursuant to Article 2357 of the Italian Civil Code, including in connection with the long term incentive plan for the Chief Executive Officer and for Key Management Personnel and managers of ENAV and its subsidiaries.

3.10. 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 does not apply to the Italian State.

3.11. Compensation Payable to Directors in the Event of Resignation, Termination or Termination of Contract Following a Takeover Bid

For information on the compensation payable to directors and the effects of the termination of a contract, 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 web site of the Company www.enav.it, and available through the other means foreseen by the applicable laws.

3.12. Appointment and Replacement of Directors and Changes to the Articles of Association

For information regarding the appointment and replacement of directors, see Section 5, paragraph 5.1 of the Report ("*Board of Directors. Appointment and Replacement*").

Amendment to the Articles of Association are adopted by the Company's Extraordinary Shareholders' Meeting with the majorities required by the 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.

4. COMPLIANCE

On 17 February 2016, the Board of Directors approved adoption by the Company of the Code of Conduct, as it believes that compliance of ENAV's corporate governance with international best practices, which 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 provisions of laws which are not Italian influencing its corporate governance structure.

5. BOARD OF DIRECTORS

5.1. Appointment and Replacement

Pursuant to Article 11 of the Articles of Association, the Company is administered by a Board of Directors composed of no less than five and no more than nine members. The shareholders meeting shall determine the number of members within the aforementioned range.

The members of the Board of Directors shall remain in office for a maximum period of three years which shall expire on the date of the shareholders' meeting called to approve of the financial statements for the last year of their office.

The office of director is subject to possession of requirements of integrity and professionalism as provided by the law, the regulatory 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 2017, 1% of the share capital of ENAV, are entitled to submit slates (see CONSOB resolution no. 19856 of 25 January 2017).

Each slate must include at least two candidates possessing the requisites of independence who must be mentioned distinctly and one of whom must be placed as 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, slates must be drawn up and filed to the Company's registered office and published in compliance with the applicable laws and with the provisions of the Articles of Association.

Each Shareholder may submit and participate in the submission of only one slate. The individuals that control them, the companies controlled by them and those subject to joint control are not entitled to submit or vote for other slates, including through an intermediary or a trust company, where subsidiaries are the companies indicated under Article 93 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.

The following procedure is followed for the election of the directors:

- a) in the progressive order in which they are included on the slate, three fourths of the directors to be elected rounded downwards in the event of a fractional number, are elected from the slate which received the highest number of votes;
- b) the remaining directors are drawn from the other slates; to this end, the votes obtained by the other slates are divided subsequently by one, two, three and so on, according to the number of directors to be elected. The quotients thereby obtained are assigned progressively to the candidates of each of these slates, according to the order respectively provided by them. The quotients attributed in this manner to the candidates on the various slates are arranged in a single decreasing ranking. The candidates who have obtained the highest quotients shall be elected. If several candidates obtained the same quotient, the candidate from the slate that has not yet elected any director or that has elected the lowest number of directors is elected. If none of these slates has yet elected a director or if all have elected the same number of directors, the candidate that has obtained the highest number of votes in these slates will be elected. In the event of a tie of slate votes and given the same quotient, a new vote will be held by the entire shareholders' meeting and the candidate that obtains the simple majority of the votes will be elected;

- c) for the purpose of allotting the directors to be elected, account is not taken of candidates indicated in slates that have obtained a number of votes lower than half of the percentage of votes required for the submission of the slates;
- d) if the minimum required number of independent directors and/or directors belonging to the less represented gender is not elected, the directors on the slate that obtained the most votes with the highest consecutive number that do not possess the requirements in question will be replaced by the subsequent candidates that do fulfil the requirements or the requirements included on the same slate.

If, even when applying this criterion, it is not possible to identify directors with the aforementioned characteristics, the replacement criterion indicated will be applied to the minority slates which have received the most votes from which elected candidates are drawn; if even through application of the replacement criteria herein, appropriate replacements are not identified, the shareholders' meeting will resolve with a simple majority. In this case, the replacements will take place from the most voted slates and from the candidates with the highest number of votes;

- e) upon completion of the above proceedings, the chairman will announce the names of those elected;
- f) for the appointment of any directors who for any reason are not elected pursuant to the procedure above, the shareholders' meeting will deliberate with the legal majorities in order to ensure the presence on the board of the appropriate number of directors meeting the independence requirements and in compliance with the applicable laws regarding balance between genders. The list vote procedure is applied only in the event of the renewal of the entire Board of Directors.

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 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 that 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 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.

5.2. 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 Code of Conduct, 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 exists.

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.

5.3. Succession Plans

On 21 June 2016, the Company's Board of Directors voted not to adopt the executive directors' succession plan for reasons related to the shareholder structure and also because, pursuant to law and the Articles of Association, directors are appointed by the Shareholders' Meeting based on lists presented by the shareholders.

5.4. Composition of the Board of Directors

The Board of Directors in office as at the date of this Report is composed of the following seven members: Ferdinando Franco Falco Beccalli, Roberta Neri, Maria Teresa Di Matteo, Nicola Maione, Alessandro Tonetti, Stefano Siragusa and Mario Vinzia.

In particular, the Shareholders' Meeting of 19 September 2014 appointed as members of the Board of Directors Messrs. Maria Teresa Di Matteo, Nicola Maione and Alessandro Tonetti for the three-year period from 2014–2016, with term of office expiring upon approval of the financial statements as at 31 December 2016. The same Shareholders' Meeting appointed Maria Teresa Di Matteo to chair the Board of Directors.

Subsequently, on 30 June 2015, the Shareholders' Meeting resolved to increase the number of the members of the Board of Directors to 5, appointing Messrs. Ferdinando Franco Falco Beccalli as the Chairman and Roberta Neri, who will remain in office until approval of the 2016 financial statements. On the same date, director Roberta Neri was appointed as Chief Executive Officer by the Board of Directors.

On 29 April 2016, the Shareholders' Meeting resolved to expand the number of directors to 7 and appointed Stefano Siragusa and Mario Vinzia, who will remain in office until approval of the 2016 financial statements.

The Board of Directors in office as at the date of this Report will remain in office until the date of the Shareholders' Meeting called to approve the financial statements as at 31 December 2016.

The following table shows the composition of the Board of Directors as at the date of the Report in their respective offices.

Name	Office
Ferdinando Franco Falco Beccalli	Chairman
Roberta Neri	Chief Executive Officer
Maria Teresa Di Matteo	Non-executive
Nicola Maione	Independent
Alessandro Tonetti	Non-executive
Stefano Siragusa	Independent
Mario Vinzia	Non-executive

Annex 1 to this Report contains a summary of the personal and professional information referring to the individual members of the Board of Directors.

5.5. Maximum Number of Offices Held in Other Companies

Directors of ENAV accept the appointment and remain in office when they deem that they can dedicate the necessary time to diligently perform their tasks, taking into account both their work-related commitments and professional activities and the number and quality of duties vested in the administrative and control bodies of listed companies, 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 approved a policy specifying the maximum number of offices of director or statutory auditor considered to be consistent with an efficient and diligent performance of the office of director within the Company.

Following the indications provided by the Code of Conduct, 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, the shares of which 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 Code of Conduct, the 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 Code of Conduct, 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 CEO is also 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 other Significant Companies is compatible with the limits set by this policy.

5.6. Induction Programme

The Code of Conduct recommends that, in addition to the general legislative obligation of the directors to act in accordance with the diligence required by the nature of their office and their specific skills, they must also 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 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, to 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 framework of reference"*.

Pursuant to the prescriptions of the Code of Conduct, on 8 June 2016 ENAV's Board of Directors resolved to ensure that the initiatives and events aimed at providing corporate bodies with adequate knowledge of the sector in which the Company operates the corporate dynamics in their evolution, the principles of adequate risk management and the regulatory and self-regulatory framework of reference.

To this end, with the support of Governance Consulting – a company which is an expert in this sector and an advisor to other major listed companies – on 10 November 2016 the first induction meeting regarding corporate governance issues for listed companies was held.

Subsequently, on 1 March 2017, the corporate bodies participated to an induction session on the operations of the Company, including a course held at the ACC (Area Control Centre) of Roma Ciampino.

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

5.7. 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 perform the operations required for implementation of the corporate objective.

The Board of Directors has a role which is central to the governance of the Company, and holds – as better shown below – the powers to define the corporate guidelines and strategies, the general organisational structure of the Company and strategic agreements that go beyond normal operations.

Article 17.2 of the Articles of Association provides that, in addition to exercising the powers attributed to it by the law, the Board of Directors will resolve on the following issues, without prejudice to the right attributed to it 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 relevant strategic, economic and financial transactions of the Company and the Group. On 7 July 2015, the Board of Directors resolved to attribute to the Board itself every decision involving:

- (a) resolutions regarding the guidelines and strategies of the Company, including upon proposal of the Chief Executive Officer;
- (b) approval, upon proposal of the Chief Executive Officer, of the Company's general organisational structure, its annual and multi-year plans and programs, such as – for example – the budget, including the budget for the personnel, the Business Plan, the Investment Plan, the Performance Plan and any strategic agreements exceeding ordinary operations;
- (c) approval of Service Contracts and Programme Contracts with the Public Administration;
- (d) constitution, merger, spin off and wind up of companies or entities in which ENAV hold 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;
- (f) purchase and sale of properties, the stipulation of leases of a duration exceeding the limit set by the law and provision of real guarantees;
- (g) the granting of sureties, executing financial operations, whether on the debit or credit side, including insurance coverage and hedging of medium and long-term risks of amounts exceeding €6 million, and short-term risks of amounts exceeding €60 million;
- (h) assignment of consulting and professional duties of amounts exceeding €100,000;
- (i) appointment of the Managing Director and the termination of the relative duties and attributions, upon proposal of the Chief Executive Officer, and revocation of the duties of the General Manager, after having obtained the opinion of the Chief Executive Officer;
- (j) decisions regarding the exercise of shareholder rights inherent in the Company and investee entities and the right to vote in the relative shareholders meeting, only insofar as strategic acts are concerned which fall under the competence of ENAV pursuant to the law and the Articles of association of the investee companies;
- (k) authorisation of the Company and investee entities to stipulate contracts ordering the procurement of services, supplies and work against outlays of amounts exceeding €6 million.

The Board of Directors supervises the activities of the internal control department and those assigned to the body in charge of setting the policy pursuant to Law 190 of 6 November 2012 as subsequently amended and supplemented.

Pursuant to the Articles of Association, the Board of Directors usually meets once a month and in any case whenever the Chairman considers it appropriate or if requested by the Chief Executive Officer or by at least one third of its members or by the board of statutory auditors. The call for the meeting will be made by registered mail or telegram or telefax or E-mail or any other appropriate means that provides proof of receipt, and shall contain the date, time and place of the meeting and the agenda; notice of call shall be sent at least five days prior to the date of the meeting or, in urgent situations, at least 24 hours beforehand, to the domicile of each director and statutory auditor.

The pre-meeting supporting documentation shall be normally 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, which is always timely as required by the Articles of Association, will contain all the documentation required, except for rare exceptions due to the need to supplement such documentation, which are clearly indicated within the convocation notice.

At the Board of Directors meeting on 19 May 2016, it was decided that, despite the call notice for the board meetings to be sent at least five days prior to each meeting, as per the Articles of Association, the relative supporting documentation may be provided to the directors up to at least three days prior to the actual meeting, as is the consolidated practice for numerous boards. During 2016, the pre-meeting information was always sent within the agreed deadlines. Furthermore, the Chairman ensures that adequate and exact supplemental information is provided during the board meetings regarding the issues on the agenda.

During 2016, the Board of Directors met 15 times, and the average duration of the meetings was approximately 2 hours and 40 minutes, with an average attendance of approximately 99% of the members of the Board of Directors and 100% of the independent directors present. For additional information regarding the attendance of each member at the Board of Directors meetings, please see table 2 to attached to the Report.

The managers of the relevant Company departments attended the meetings of the Board of Directors, as appropriate in accordance with the topics on the agenda, and provided appropriate information on the items being discussed.

With regard to the financial year, the Board of Directors;

- approved, after having obtained the opinion in favour of the Board of Statutory Auditors, the guidelines of the SCIGR and assessed the adequacy of the Internal Control and Risk Management system in connection with the characteristics of the business and the risk profile that has been assumed;
- identified in the Chief Executive Officer the Director in Charge of the Internal Control and Risk Management System;
- nominated the person in charge of the internal audit function, ensuring availability the adequate staff and means in order to discharge his responsibilities;
- adopted the "*Procedure for the internal management and disclosure to the public of inside information*", the "*Procedure for the establishment and updating of the registry of persons with access to inside information*", the "*Internal Dealing Procedure*", the "*Procedure governing related party transactions*";
- established the board committees pursuant to the prescriptions set forth in the Code of Conduct, appointing relative members thereof;
- approved, after having obtained the opinion of the Board of Statutory Auditors, the plan for the activities of the Internal Audit Committee for the financial year.

With regard to the initial months of 2017, the Board of Directors:

- approved, after having obtained the favourable opinion of the Control, Risks and Related Parties Committee, and after hearing the Board of Statutory Auditors and the Director in charge of the Internal Control and Risk Management System, the plan for internal audit activities for 2017 and the three-years scheduling of these activities. In particular, based on best practices and the standards of the IAA (International Auditors Association) the plan is based on a risk-based methodology and aims to verify all the major processes identified within a three-year period;
- defined, upon the proposal of the Remuneration and Appointments Committee, a policy with regard to the maximum number of posts held by a director of ENAV in administrative or controlling bodies that is considered compatible with the effective and diligent performance of the office of director of the Company;
- positively assessed the adequacy of the Internal Control and Risk Management System in connection with the characteristics of the business and the risk profile that has been assumed, after obtaining the opinion of the Control, Risks and Related Parties Committee;
- positively assessed, after obtaining the opinion of the Control, 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, Risks and Related Parties Committee regarding the activities carried out by it and the adequacy of the Internal Control and Risk Management System;
- examined the periodic report provided by the internal audit department manager containing the assessment of the Internal Control and Risk Management System;
- approved the Company's budget for 2017;

- after obtaining the opinion of the Control, Risks and Related Parties Committee, approved the procedure for impairment and outcomes thereof.

With regard to 2017, as at the date of this Report, the board of directors has planned 9 meetings, of which 4 have been held as from 1 January 2017 to the date of the present Report.

Board of Directors Evaluation

In January and February 2017, ENAV's Board of Directors self-assessed its own operations, with the support of the external Company GC Governance Consulting, an advisor specialised in consultancy on corporate governance issues. The Board Evaluation, focusing on the Board in office and referring to 2016, was conducted through a questionnaire adapted by the consulting company to the characteristics of the Company and its Board of Directors, taking into account the indications received by the Remunerations and Appointments Committee, followed by individual interviews with each Director. The questionnaire and the interviews referred to:

- (i) the main responsibilities of the Board of Directors;
- (ii) the operation of the Board of Directors;
- (iii) the environment and dynamics of the Board of Directors;
- (iv) the role of the Chairman;
- (v) the role of the Chief Executive Officer;
- (vi) the composition, professional skills and size of the Board of Directors;
- (vii) the executive directors and the organisational structures;
- (viii) assessment of the board committees;
- (ix) the Control and Risks and Related Parties Committee;
- (x) the Remuneration and Appointments Committee;
- (xi) management relations;
- (xii) self-assessment of the directors; and
- (xiii) proposals for improvement of the activities of the Board of Directors.

The outcome of the assessment of the operation of the Board of Directors and the Committees is positive overall. Upon successful completion of the challenging and demanding procedure for the listing of ENAV, the Board expressed its desire to pursue its focus on the industrial business and its commercial development. Most of the Directors believe that the mix of skills of the directors is in line with the requirements of the Group, and also consider that the size of the Board is appropriate, though they would not be against expanding it by one or two members, with additional industry related profiles. Finally, the Board has assessed that the meetings take place in a constructive atmosphere in which the directors are able to freely express their opinions and make their contributions and that the duration and frequency of the board meetings is in line with the items discussed.

5.8. Delegated Bodies

Chief Executive Officer

Pursuant to Article 18 of the By-laws, the Chief Executive Officer will ensure that the organisational and accounting structure is adequate in connection with the nature and size of the Company.

In its meeting of 7 July 2015, the Board of Directors resolved to attribute to the Chief Executive Officer Ms. Roberta Neri all the powers of ordinary and extraordinary administration of the Company, including the legal representation and individual signatory powers to be used before any court or administrative authority, including the power to sign summons, appeals, claims, disputes and similar acts, and the power to conciliate and settle in every dispute, including labour related disputes, and to delegate to lawyers, employees or third parties any activity of a procedural nature, including responding to questioning of the parties in court cases raised by the Company or against it, to waive actions and to accept waivers, excluding only those required by law, the Articles of Association, or which were otherwise granted based on the above-mentioned resolution.

The following are included in the powers attributed to the Chief Executive Officer:

- (i) the power to execute the resolutions of the Board of Directors;
- (ii) the power to propose to the Board of Directors, the guidelines, corporate strategies and programs of the Company, and guidelines for the strategic policies applicable with regard to subsidiaries or entities in which the Company has a controlling interest;

- (iii) the preparation of the yearly plan and the business plan such as, for example, the budget, including the budget for the personnel, business plan, investment plan, performance plan, and to submit these to the approval of the Board of Directors;
- (iv) propose to the Board of Directors the general organisational structure of the Company;
- (v) grant sureties and perform all necessary financial transactions, whether as a borrower or lender, over the medium and the long term, including insurance coverage and hedges of relative risks, up to the amount of €6 million and the short-term amount up to the amount of €60 million per transaction, and, in the event of an emergency, to surpass said limits, informing the Board of Directors in the first meeting thereafter;
- (vi) to define the corporate organisation within the general organisational structure that has been approved by the Board of Directors; to hire personnel of any type and level, including managers, adopting the relative measures, and to manage the corporate organisational structure;
- (vii) to suspend or terminate personnel of any type and level, including the managers, adopting the relative measures, including disciplinary measures;
- (viii) to handle relations with labour and trade union organisations;
- (ix) to approve the procurement of services, supplies and work against payment of amounts up to €6 million (for multiple year procurement processes, account will be taken of the annual amount), and, in the event of an emergency, to exceed these limits, informing the Board of Directors in the first meeting thereafter;
- (x) to stipulate contracts and conventions of any type and nature and for any amount, and also, as concerns in particular the procurement of services, supplies and work of amount exceeding €6 million, in compliance with the resolutions made by the Board of Directors;
- (xi) to stipulate leases with a duration not to exceed the limit set by the law;
- (xii) to provide personal guarantees;
- (xiii) to assign consulting and professional duties up to an amount of €100,000, requesting the approval of the Board of Directors for additional amounts;
- (xiv) address the Board of Directors for its decision regarding the exercise of shareholder rights inherent in the Company and investee entities and the right to vote in the relative shareholders' meeting, only in connection with strategic acts which fall under the competence of ENAV pursuant to the law and the Articles of association of the investee companies;
- (xv) request the Board of Directors for its decisions regarding authorisation to stipulate contracts with which investee companies order the procurement of services, supplies and work against amounts exceeding €6 million, and regarding the appointment and revocation of the general manager of such invest the companies;
- (xvi) adopt the decisions regarding the exercise of shareholder rights in investee companies, relative to the general management, which are not included in the areas indicated under points (xiv) and (xv) which fall under the responsibility of the Board of Directors, are reserved to ENAV pursuant to the law and the Articles of association of the investee companies and, in particular, the stipulation of contracts with which the latter order the procurement of expenditures for services, supplies and work exceeding the limits attributed to their administrative bodies which are lower than or equal to €6 million;
- (xvii) maintain relations with the Public Administration, public and private bodies and organisations, both national and international, in any institution, association or consortium;
- (xviii) handle the legal operations of the Company;
- (xix) handle external relations and the communications of the Company and its relations with the media, both domestic and foreign;
- (xx) communicate to authorities', entities and offices the appointment or the replacement of the directors in charge of publications for the Company (including, as a non-exhaustive example, *Cleared* and AIP Italia);
- (xxi) propose to the Board of Directors the appointment and determination of the duties and attributions of the General Manager, and, if applicable, propose the revocation thereof.

Pursuant to Article 18.6 of the Articles of Association, the Chief Executive Officer shall inform the Board of Directors and the Board of Statutory Auditors regarding the activities carried out, the general course of management of the Company and its foreseeable evolution, and on the transactions with the greatest economic and financial significance or most material carried out by the Company or by its subsidiaries. The information shall be provided promptly and in any case at least every quarter, on occasion of the meetings of the Board of Directors or through a written memorandum.

Pursuant to Article 1.C.1 d) of the Code of Conduct and in observance of the resolutions of the Board of Directors dated 26 September 2016, on the proposal of the Control, Risks and Related Parties Committee, the Chief Executive Officer will inform the Board, at least every quarter, regarding the activities carried out during the year in pursuit of the delegations conferred upon her.

Chairman of the Board of Directors

Pursuant to Article 14 of the Articles of Association, the Board of Directors will elect a chairman from among its members, if the shareholders' meeting has not done so. The Chairman shall call the Board of Directors, set the agenda, coordinate the work and provide the directors and statutory auditors with all information regarding the matters to be discussed.

The Chairman occupies a role of leadership and supervision of the operation of the Board of Directors.

In addition to the powers afforded by the law and by the Articles of Association in connection with the operation of corporate bodies and the legal representation of the Company, on 20 July 2015, the Board of Directors resolved to attribute to the Chairman the following powers:

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

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 Code of Conduct), the Chairman is considered to be a non-executive director.

5.9. Non-Executive Directors

The Board is composed of mostly non-executive members. The 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 reflected upon and reasoned, in particular in the areas in which conflicts of interests could arise.

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

5.10. Independent Directors

As of the date of this Report, the Board of Directors, comprises 2 independent directors.

In particular, in its meetings of 29 March 2016 and 8 June 2016, the Board of Directors assessed that the directors Nicola Maione and Stefano Siragusa possess the requirements set forth under Article 148, paragraph 3 of the TUF and principle 3 .

Concurrently with the verifications carried out by the Board of Directors, the Board of Statutory Auditors declared that it had verified, based on available documentation, the correct application of the criteria and verification procedures adopted by the Board of Directors to assess the independence of its members.

The independent directors met without the other directors and exchanged their views regarding the operation of the Board of Directors.

5.11. 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 Code of Conduct 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.

6. INTERNAL COMMITTEES WITHIN THE BOARD OF DIRECTORS

6.1. Remuneration and Appointments Committee

On 7 July 2015, prior to the Company's listing, a Remunerations Committee was established within the Board of Directors, comprises of three non-executive directors (Maria Teresa Di Matteo, Nicola Maione and Alessandro Tonetti) with the mission to submit proposals to the Board of Directors for the determination of the remuneration to be paid to the directors of the Company with mandates pursuant to Article 2389 of the Italian Civil Code and the applicable regulations, in addition to any consulting duties, upon request of the Chief Executive Officer, in connection with the general policy on remuneration and incentives for top management of the Company.

Pursuant to the recommendations of the Code of Conduct, in its meeting of 8 June 2016 the Board of Directors established, with effect from the Listing Date, the Remuneration and Appointments Committee.

The ENAV Remuneration and Appointments Committee comprises 3 members, the majority of whom are independent: Stefano Siragusa (Chairman), Nicola Maione and Alessandro Tonetti.

The composition of the Remuneration and Appointments Committee ensures that the necessary number of members possess the requirements of professionalism as required by the Code of Conduct.

As at 21 June 2016, the Board of Directors adopted, effective from the Listing Date, the Regulation of the Remuneration and Appointments Committee (the "Regulation") which governs its composition, duties and operation.

Pursuant to Article 2 of the Regulation of the Remuneration and Appointments Committee, and in line with the content of principle 5 of the Code of Conduct, the following duties are assigned which refer to the submission of proposals and the provision of consulting:

- (a) to express opinions within the Board of Directors, regarding its size and the composition and express recommendations regarding the professional figures required to be present on the Board and the issues set forth under application criteria 1.C.3 (guidelines of the Board of Directors regarding the maximum number of offices to be held by a director as a director or statutory auditor) and 1.C.4 (derogation to the competition restriction pursuant to Article 2390 of the Italian Civil Code) of the Code of Conduct;
- (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.

Furthermore, pursuant to Article 3 of the Regulation, in compliance with the provisions set forth under principle 6 of the Code of conduct, the following duties inherent in submission of proposals and provision of advice are attributed to the Remuneration and Appointments Committee:

- (a) periodically evaluating the adequacy, overall consistency and practical application of the remuneration policy for directors and senior managers with strategic responsibilities, using, for this latter purpose, the information provided by the managing directors;
- (b) submitting proposals or expressing opinions to the Board of Directors on the remuneration of executive directors and other directors who perform specific tasks as well as establishing performance targets related to the variable component of this remuneration;
- (c) monitoring the application of the decisions adopted by the Board of Directors, verifying, in particular, that the performance targets have actually been reached.

For the execution of these duties, the Board of Directors, upon the proposal of the Remuneration and Appointments Committee, and after having obtained the opinion of the Board of Statutory Auditors, has set a budget for the year of €50,000.

No Director takes part in the meetings of the Committee which formulates proposals for the Board of Directors relative to its own remuneration, unless the proposals refer to the members of the committees established within the Board of Directors.

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

In 2016, the Remuneration and Appointments Committee met 8 times, and the average duration of each meeting was 1 hour and 15 minutes, with 100% of its members present on the average. For additional information regarding the attendance of each member at the meetings of the Remuneration and Appointments Committee, please see table 2 attached to the Report. The Chairman of the Board of Statutory Auditors participated in all the meetings, with one exception where she was replaced by another Statutory Auditor. During its activities, the Committee invited certain managers of the Company to the meetings, in particular the head of Human Resources, occasionally with the support of external consultants, for in-depth examination of certain issues.

In particular, in the course of the year and the initial months of 2017, the Remuneration and Appointments Committee:

- submitted proposals to the Board on the remuneration structures of the executive directors of the Company, as well as proposals for the definition of a short-term variable incentive system connected to performance targets: specifically, the proposal for the definition of pay, pursuant to Article 2389, paragraph 3 of the Italian Civil Code, as well as the proposal for the definition of the short-term targets (target bonuses) in terms of parameters and below thresholds, incentive curves, or for the allocation of transaction bonuses relating to the IPO;
- submitted proposals to the Board on the guidelines for defining a medium-/long-term incentive system for executive directors and senior managers with strategic responsibilities, where identified, for the Company, with special reference to the type of plan, performance measurement indicators and the incentive percentage;
- verified achievement of the performance objectives which are related to the variable components of the remuneration of the Chief Executive Officer for the year;
- proposed the approval of the Remuneration Report (containing, among other things, the description of the Remuneration Policy for 2017 and the procedures for exercising the functions of the committee) to be presented to the Shareholders' Meeting by the Board;
- assisted the Board of Directors, following the self-evaluation process, in evaluating that the size and composition of the Board and the Committees are suitable for carrying out the functions assigned to them;
- submitted proposals to the Board relative to the terms and procedures for completion of the annual assessment of the Board of Directors;
- proposed the policy for the maximum number of posts held as a director or auditor considered to be compatible with the effective and diligent performance of the office of director of the Company.

In exercising its functions, the Remuneration and Appointments Committee was able to access the necessary information and corporate functions in order to perform its duties in an appropriate manner.

With regard to 2017, as at the date of this Report, the Remuneration and Appointments Committee has planned 14 meetings, of which 5 have been held as from 1 January 2017 to the date of the present Report.

Minutes have been taken for all the meetings of the Remuneration and Appointments Committee.

6.2. Control, Risks and Related Parties Committee

The ENAV Control, Risks and Related Parties Committee comprises 3 members, the majority of whom are independent: Nicola Maione (Chairman), Stefano Siragusa and Mario Vinzia.

The composition of the Control, Risks and Related Parties Committee ensures that the necessary number of members possess the requirements of professionalism as required by the Code of Conduct.

The Control, Risks and Related Parties Committee is in charge of supporting, including by conducting adequate checks, the assessments and decisions of the Board of Directors relative to the Internal Control and Risk Management System and in regard to the approval of the periodic financial reports.

On 21 June 2016, the Board of Directors adopted the Control, Risks and Related Parties Committee regulation (the "Regulation"), which governs its composition, duties and operations and is in effect as from the Listing Date.

Pursuant to Article 2 of the Regulation, the Control, Risks and Related Parties Committee has been assigned the following duties:

- (a) to evaluate, together with the Manager responsible for drawing up the company's financial reports and upon receipt of 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, effectiveness 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 additional duties as these are attributed to it by the Board of Directors.

Additionally, in line with application criterion 7.C.1 of the Code of Conduct and pursuant to Article 2 of the Regulation, the Control, Risks and Related Parties Committee shall express its opinion to the Board of Directors:

- (a) regarding the guidelines for the Internal Control and Risk Management System as these have been approved by the Board of Directors and periodically updated, so that the main risks concerning ENAV and the companies it controls, 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 through management that is in line with the strategic objectives that have been identified;
- (c) regarding the adequacy of the Internal Control and Risk Management System in connection with the characteristics of the business and its risk profile and also regarding the effectiveness of the system itself;
- (d) regarding the working plan prepared by the head of the Internal Audit department;
- (e) on the description, contained in the corporate governance report, of the main characteristics of the Internal Control 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 Auditing Firm, in the event that it has issued a letter of comments regarding major issues found during the legal audit;
- (g) on the proposal relative to the appointment, revocation and remuneration of the head of the Internal Audit department, and regarding the adequacy of the personnel assigned to the latter for performance of the department functions.

In addition to the above, pursuant to Article 2.5 of the Regulation, the Control, Risks and Related Parties Committee shall carry out the functions attributed by the Related Parties Regulation and the Procedure governing the Company's related party transactions, in regard to which the Committee may also propose amendments and integrations.

For the performance of the duties, the Board of Directors, upon the proposal of the Control, Risks and Related Parties Committee, and after having obtained the opinion of the Board of Statutory Auditors, has allocated an annual budget of €50,000.

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

In 2016, the Control, Risks and Related Parties Committee met 7 times, and the average duration of each meeting was 2 hour and 33 minutes, with 100% of its members present on the average. For additional information regarding the attendance of each member at the meetings of the Control, Risks and Related Parties

Committee, please see table 2 attached to the Report. The Chairman of the Board of Statutory Auditors took part in all the meetings of the Committee. The Director in Charge of the Risk Management and Control System usually participates in all the meetings of the Control, Risks and Related Parties Committee. Furthermore, the Committee has requested the participation of the managers of various Company departments, for discussion of specific issues, including those which involve related parties. Moreover, the head of the Internal Audit department has always taken part in the Committee's meetings.

In particular, during the year and in the initial months of 2017, the Control, Risks and Related Parties Committee:

- evaluated, after hearing of the opinions of the head of the Administration, Finance and Control department and the Manager responsible for drawing up the company's financial reports, 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 three-year planning of such activities expressing a positive opinion in this regard;
- expressed a positive opinion to the Board of Directors in connection with the procedure employed for measuring impairment and the relative outcome;
- positively evaluated the adequacy of ENAV's organisational, administrative and accounting structure particularly in connection with the Internal Control and Risk Management System and also the adequacy of the powers and means available to the Financial Reporting Officer;
- positively assessed the adequacy of the Internal control and Risk Management system in connection with the characteristics of the business and its chosen risk profile;
- positively acknowledge the description of the Control and Risk Management System contained in this Report;
- Examined the periodic reports on the evaluation of the CRMS and in particular the report prepared by the internal audit department on the occasion of the meetings with (i) the head of Risk Management, (ii) the Manager responsible for drawing up the company's financial reports and the Auditing Firm, (iii) the head of the Internal Audit department who participates in the meetings of the committee and reports at least every quarter on the audits conducted pursuant to the plan that has been approved by the Board of Directors, (iv) the Supervisory Body, (v) the head of the Safety department and the head of the Security department and (vi) also examined the annual report prepared by the head of the Internal Audit department accompanying the assessment of the adequacy of the Internal Control and Risk Management System;
- 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; and
- expressed its opinion on the transactions with related parties.

In performing its functions, the Control, Risks and Related Parties Committee was able to access the information and the corporate departments required for completion of its duties and also to avail itself of external consultants, within the limits of the budget established for it by the Board of Directors.

With regard to 2017, as at the date of this Report, the Control, Risks and Related Parties Committee has planned 15 meetings, of which 6 held as from 1 January 2017 to the date of this Report.

The minutes of the meetings of the Control, Risks and Related Parties Committee were all duly recorded.

7. DIRECTORS' INTERESTS AND RELATED-PARTY TRANSACTIONS

On 21 June 2016, the Board of Directors approved the "Procedure governing transactions with related parties" (the "RPT Procedure") pursuant to Article 2391-*bis* of the Italian Civil Code and the Related Parties Regulation.

That RPT Procedure governs the approval and execution of transactions with related parties carried out by ENAV, either directly or through subsidiary companies, and also determines the criteria and procedures for identification and mapping of the Company's related parties, so as to ensure the transparency and essential and procedural correctness of such transactions.

In particular, the RPT Procedure distinguishes between:

- transactions of a minor value: the transactions with related parties with a value not exceeding €200,000 if concluded with natural persons and €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 that these transactions do not have a significant impact on the Company's equity, given its dimensions. This threshold is applied also in the event of a series of similar transactions with the same related party, that take place within the calendar year (the "Transactions of a Minor Value");
- transactions of major importance: the transactions with related parties which feature at least one of the important indicators set forth in the RPT procedure, applicable according to the specific transaction, if the amount exceeds the 5% threshold and the related party transactions, even if lower than the above mentioned thresholds, have a strategic content that is significant or affects the operating independence of the Company or its subsidiaries (the "Transactions of Major Importance");
- transactions of minor significance: the transactions with related parties other than those of major significance and transactions of a minor value (the "Transactions of Minor Importance");
- 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 a specific amount of consideration.

The RPT Procedures is available on the Company's website www.enav.it.

7.1. Procedures for Transactions of Major Importance

Transactions of major importance for which the responsibility lies with the Board of Directors

The Board of Directors approves the Transactions of Major Importance after securing the opinion of the Control, Risks and Related Parties Committee. This opinion shall express, clearly and exhaustively, the evaluations of the Control, Risks and Related Parties Committee regarding the interest the Company has in concluding such a Transaction of Major Importance and also the convenience and essential correctness of the relative terms and conditions.

Through the Legal and Corporate Affairs department, the Chief Executive Officer of ENAV will swiftly provide to the Control, Risks and Related Parties Committee complete and adequate information regarding each Transaction of Major Importance, making certain to provide the appropriate updates subsequently.

To this end, in the negotiation phases, the corporate structure involved in the Transaction of Major Importance and/or the delegated entities in charge of handling the negotiations shall provide to the Legal and Corporate Affairs department a brief description of the Transaction of Major Importance and the interest of the Company to conclude it, identification of the related party involved and the nature of the relation. This communication will be supplemented during the preliminary assessment procedure.

In the event that the major significance of the Transaction of Major Importance is the result of a series of transactions that took place during the year with the same related party, or with entities/individuals related to the latter and the Company, the information must be provided for all the aforementioned transactions.

The Control, Risks and Related Parties Committee or one or more members delegated by it, are entitled to (i) request information or make observations on the corporate structure that is involved and/or the entities/individuals delegated to conduct the investigation and (ii) and enlist the assistance of one or more

independent experts. In any case, the information requested will be provided to the Control, Risks and Related Parties Committee.

The Control, Risks and Related Parties Committee will usually issue its opinion at least 7 (seven) days prior to the meeting of the Board of Directors called for approval of the transaction of major importance and within the same time shall also transmit this opinion to the Legal and Corporate Affairs department.

Usually, at least 5 days prior to the meeting of the Company's Board of Directors called for approval of the Transaction of Major Importance, the Legal and Corporate Affairs department will transmit to the members of the Board of Directors and the Board of Statutory Auditors adequate documentation containing information on these Transactions of major importance, including the opinion of the Control, Risks and Related Parties Committee.

The opinion of the Control, Risks and Related Parties Committee is considered to be:

- a) in favour, when it fully agrees with the Transaction of Major Importance;
- b) in favour but subject to conditions, when the entire opinion regarding the Transaction of Major Importance is subject to specific comments set forth within the opinion itself. In this case, the Board of Directors can
 - (i) approve the Transaction of Major Importance, without having to request the Control, Risks and Related Parties Committee for a new opinion, only on the condition that the aforementioned comments are addressed in the conclusion or execution of the Transaction of major importance; or
 - (ii) approve the Transaction of Major Importance, despite the opinion against expressed by the Control, Risks and Related Parties Committee, or without taking account of the comments made by the latter, provided that conclusion of the Transaction of Major Importance is authorised by the Shareholders' Meeting; or finally
 - (iii) not approve the Transaction of Major Importance.
- c) negative, when it contains comments even regarding only one aspect of the Transaction of Major Importance, unless that same opinion contains an express, differing indication with regard to the conclusion of the Transactions of Major Importance. In this latter case, the Control, Risks and Related Parties Committee must indicate the reasons for which it considers that the aforementioned comments do not affect the overall judgement in terms of the Company's interest in concluding the Transactions of major importance, and the convenience and essential correctness of the relative terms and conditions.

In the event of a negative opinion of the Control, Risks and Related Parties Committee, as provided by Article 10 of the Articles of Association, the Board of Directors may submit the Transaction of Major Importance for authorisation by the Ordinary Shareholders' Meeting. In this case, notwithstanding the compliance with the quorum required for establishment and resolutions of the shareholders meeting and any provisions of the Articles of association required by the law, the Transaction of Major Importance cannot be concluded if the majority of the non-related shareholders with voting rights expresses a vote against concluding this transaction, provided that the latter represent at least 10% of the share capital with voting rights. Prior to the beginning of the Shareholders' Meeting work, the individuals with voting rights are required to communicate (i) that they are not a counter party in the specific Transaction of Major Importance which has been placed on the agenda and (ii) the existence of any relations with the counter party and the Company.

The minutes of the resolutions with which the Board of Directors approves the Transactions of Major Importance shall appropriately justify ENAV's interest in concluding the transaction and the convenience and essential correctness of the relative terms and conditions. These resolutions must also contain the names of the persons voting for or against the Transaction of Major Importance, or those which abstained, specifying the reasons for any dissent or abstention.

Transactions of Major Importance submitted to the approval of the Shareholders' Meeting

The transactions of Major Importance which are submitted to the Shareholders' Meeting pursuant to the requirements of the law or the Articles of association shall be subject, to the extent that it is compatible, to the previously described procedure for the negotiation phase, the investigation phase and the approval phase of the proposal submitted for resolution by the Shareholders' Meeting.

The proposal for the resolution to be submitted to the Shareholders' Meeting may be approved by the Board of Directors, even if the opinion provided by the Control, Risks and Related Parties Committee is negative. In this case, notwithstanding the compliance with the quorum required for establishment and resolutions of the ordinary and extraordinary shareholders meeting and any provisions of the Articles of association required by the law, the Transaction of Major Importance cannot be concluded if the majority of the non-related shareholders with voting rights expresses a vote against concluding this transaction, provided that the latter represent at least 10% of the share capital with voting rights. Prior to the beginning of the shareholders meeting work, the individuals with voting rights are required to communicate (i) that they are not a counter party in the specific Transaction of Major Importance which has been placed on the agenda and (ii) the existence of any relations with the counter party and the Company.

7.2. Procedures for Transactions of Minor Importance

Transactions of Minor Importance for which the responsibility lies with the Board of Directors or the bodies it delegates

The Board of Directors or the body delegated by it, approve the Transactions of Minor Importance upon the reasoned, non-binding opinion of the Control, Risks and Related Parties Committee regarding the interests of the Company to conclude the Transaction of Minor Importance and the convenience and essential correctness of the relative terms and conditions.

Should a relation exist with the competent body that has been delegated or with a related party through that body, the latter will abstain from concluding the Transaction of Minor Importance, allowing the authorising body to exercise its authority.

The Chief Executive Officer of ENAV or the department making the proposal, through the Legal and Corporate Affairs department, shall provide to the Control, Risks and Related Parties Committee, appropriately in advance, normally at least 5 days prior to the date set for the issuing of the opinion by the Control, Risks and Related Parties Committee, information that is complete and adequate regarding each Transaction of Minor Importance, taking care to provide the appropriate subsequent updates.

When it considers this necessary, the Control, Risks and Related Parties Committee is entitled to enlist the assistance of one or more independent experts.

The Control, Risks and Related Parties Committee will issue its opinion, normally at least 7 days prior to the Board of Directors meeting called for approval of the Transaction of Minor Importance or, if the responsibility for approving the latter has been assigned to a delegated body, within 15 days from the date of the request for the opinion of the Control, Risks and Related Parties Committee. Within the same deadlines, the Control, Risks and Related Parties Committee will transmit its opinion to the Legal and Corporate Affairs department.

At least 5 days prior to the meeting of the Board of Directors called for approval of the Transaction of Minor Importance or, if the responsibility for approving the latter has been assigned to a delegated body, within 5 days from receiving the opinion of the Control, Risks and Related Parties Committee, the Legal and Corporate Affairs department will provide to the members of the Board of Directors and the Board of Statutory Auditors, or respectively, supply the delegated body in charge with adequate documentation on the Transactions of Minor Importance, including the opinion of the Control, Risks and Related Parties Committee.

The opinion will be considered to be in favour, even in the presence of one or more conditions, provided these conditions are actually complied with in the resolution and the conclusion of the Transaction of Minor Importance. If the aforementioned conditions are not complied with, the opinion of the Control, Risks and Related Parties Committee is to be considered as being against proceeding.

The minutes of the approval of the Transaction of Minor Importance by the Board of Directors or the resolution made by the competent delegated body will provide the reasoning regarding the interest of the Company to conclude the Transaction of Minor Importance, the convenience and essential correctness of the relative conditions, and the result of the opinion expressed by the Control, Risks and Related Parties Committee.

Transactions of Minor Importance submitted to the approval of the Shareholders' Meeting

The Transactions of Minor Importance which are submitted to the Shareholders' Meeting pursuant to the requirements of the law or the Articles of association shall be subject, to the extent that this is compatible, to the previously described procedure including the investigation phase and the approval phase of the proposal submitted for resolution by the Shareholders' Meeting.

7.3. Exemptions

The RPT Procedure does not apply to:

- a) Transactions of a 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 the RPT Procedure, notwithstanding the disclosure obligations:

- a) Remuneration plans based on financial instruments approved by the Company Shareholders Meeting pursuant to Article 114-*bis* of the TUF and relevant implementing operations;
- b) Resolutions regarding the remuneration of directors and board members with particular duties as well as other managers with strategic responsibilities provided that:
 - (i) The Company has adopted a remuneration policy;
 - (ii) A committee comprised exclusively of non-executive directors and board members, the majority of whom are independent, were involved in the definition of 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 paid is in line with this policy;
- c) For the ordinary transactions concluded at arm's length or under standard terms and conditions, notwithstanding the disclosure obligations required by Article 114, paragraph 1 of the TUF, ENAV is nevertheless required to:
 - (i) communicate to CONSOB, within 7 days from approval of the transaction by the competent body (or, if the competent body resolves to submit a contractual proposal, within 7 days from the time that the contract, even if preliminary, is concluded based on the applicable rules), the counter party, the object and the consideration for the transactions included under the exemption of the disclosure obligations pursuant to Article 5 of the Related Parties Regulation, if they individually exceed the thresholds indicated in annex 1 or of the RPT Procedure.
 - (ii) indicate in the interim management report on operations and the annual management report on operations, as part of the information required under Article 5, paragraph 8 of the Related Parties Regulation which of the transactions subject to disclosure obligations indicated in this last provision were concluded based on the exemption provided under c);
- 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 associates that are counter parties in the transaction.

8. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

The Guidelines of the Internal Control and Risk Management System ("ICRMS"), describe the internal control system adopted by the Issuer covering all the activities of the Company.

In particular, ENAV's ICRMS is comprised of the total 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:

- safeguarding Company assets;
- ensuring the effectiveness and efficiency of the corporate processes;
- ensuring the reliability of the financial information; compliance with the laws, the regulations, the Articles of Association and the corporate regulations.

The ICRMS features three separate levels of internal control:

- (i) "first level" or "line controls" (*risk ownership*), which consist of the total control activities that the individual corporate structures and the Group 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 management 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. The structures identify, measure, evaluate, manage, monitor and report, every day, on the risks arising from ordinary corporate activities in compliance with internal procedures;
- (ii) "second level" controls, which are assigned to structures specifically in charge of carrying out this work, which are autonomous and 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, propose guidelines on the relative control systems and verify adequacy thereof in order to ensure efficiency and efficacy of the control and risk management operations;
- (iii) "third level" controls, 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 ICRMS. The Internal Audit department is therefore in charge of verifying the overall structure and functionality of the ICRMS, including through monitoring of the line controls and the second level controls, whether at the levels of ENAV or the Group.

ENAV has identified the following bodies/ main individuals involved in the Internal Control and Risk Management System:

- the Board of Directors of the Parent Company or the Governance Body of the subsidiaries;
- the Board of Statutory Auditors of the Parent Company and of the subsidiaries (where present);
- Director in charge of the System of Internal Control and Risk Management;
- Control, Risks and Related Parties Committee;
- the Supervisory Body of the Parent Company and of the subsidiaries (where present);
- the Court of Auditors judge;
- Internal Audit;
- The manager responsible for drawing up the company's financial reports;
- Risk Management;

With regard to the procedures for coordination, the following main initiatives have been taken:

- all members of the Board of Statutory Auditors and the Director in Charge of the risk management and control system are invited to all the meetings of the Control, Risks and Related Parties Committee;
- the Court of Auditors judge is invited to the meetings of the Board of Statutory Auditors;
- the Control, Risks and Related Parties Committee, Board of Statutory Auditors and Supervisory body meet at least twice annually;
- At least two meetings take place each year 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 head of the Internal Audit department, the manager in charge of drawing up the Company's financial reports and the head of Risk Management;

- provision is made for the presence of a member of the Supervisory Body pursuant to law decree 231/2001 who is the head of the Internal Audit department.

The following initiatives have been taken in relation to coordination between the II and III level controls:

- inclusion of the head of Risk Management and the manager in charge of drawing up the Company's financial reports as recipients of the audit reports provided by the head of Internal Audit to the audited parties;
- periodic meetings between Risk Management, the manager in charge of drawing up the Company's financial reports and the head of Internal Audit for sharing of the information contained in the projects aimed at strengthening the ICRMS;
- conducting of periodic meetings between Risk Management, the head of the Safety department and the head of the Security department in order to ensure the necessary integration and coherence with the corporate risk management Enterprise Risk Management system.

8.1. Director in Charge of the System of Internal Control and Risk Management

The Board of Directors has appointed the Chief Executive Officer, Ms. Roberta Neri, as the Director in Charge of the ICRMS.

The latter is responsible for:

- 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;
- executing the guidelines of the ICRMS, handling the planning thereof, realisation and management and verifying constant adequacy and effectiveness;
- adapting this system to the operating conditions and legislative and regulatory environment;
- upon consulting with the Chairman of the Board of Directors, submitting to the Board of Directors the proposals regarding appointment, revocation and the remuneration of the head of the Internal Audit department, ensuring that the latter has available the appropriate staff for the discharge of his or her responsibilities;
- together with the Chairman of the Board of Directors, consulting the work schedule prepared by the head of the internal Audit department, submitting her own evaluations in this regard to the Board of Directors which is called upon to approve this schedule;
- requesting 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 respective Chairman of the Board of Directors, the Chairman of the Control, Risks and Related Parties Committee and the Board of Statutory Auditors of such requests at the time they are made;
- promptly reporting to the Control, Risks and Related Parties Committee (or to the Board of Directors) on problems or critical situations that may have emerged in the performance of her duties, or that were otherwise brought to her knowledge, so that the Committee (or the Board) may take the necessary measures.

During the year and in the initial months of 2017, the Director in charge of ICRMS 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 at the same time constantly verifying its adequacy and effectiveness, including in light of the operating conditions and the legislative and regulatory environment.

8.2. Head of the Internal Audit Department

The Board of Directors has appointed Mr. Devan de Paolis as Head of the Internal Audit department.

The Head of the Internal Audit department ensures that the Internal Control and Risk Management System is functional and adequate; in particular, he shall:

- (i) verify, on an ongoing basis and in relation to specific needs and in compliance with international standards, the operations and appropriateness of the ICRMS, 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 he considers this appropriate or upon the request of the Board of Directors, the Control, Risks and Related Parties Committee, the Director in charge of ICRMS or the Board of Statutory Auditors.

The Internal Audit Function has access to all information required for 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 assessment on the appropriateness of the ICRMS, with regard to the audit activities set forth in the audit plan and any additional verifications that are requested.

For the discharge of his duties, the Head of the Audit department has at its disposal the financial resources allowed by the budget for the department, and which are 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 by the Board of Directors, with which it communicates directly through the chairman of the Board of Directors.

The Internal Audit department swiftly prepares reports on events of particular significance, transmitting its periodic reports and those on the particularly significant events to the Chairman of the Board of Directors and to the Director in charge of ICRMS and to the manager in charge of drawing up the Company's financial reports to the extent of the latter's responsibility. Moreover, the audit plan is used to verify the reliability of the Company's information systems, including its accounting systems.

As of the date of this Report, there were incentive mechanisms in place for the head of the Internal Audit department. The incentive mechanisms in place for the head of the Internal Audit department are commensurate with the duties assigned to him. In particular, the incentive and remuneration policies applicable to the head of the internal audit department and all the Company's managers, which consist of fixed and variable components, are based on classification and weighting of the organisational roles (certified periodically by an external company) which makes it possible to compare with the external market (fixed remuneration, variable remuneration and benefits); the systems are furthermore closely related to an annual performance evaluation process defined through a short-term managerial incentive system (the so-called MBO).

The head of the Internal Audit department is an internal member of the Supervisory Body pursuant to law decree 231/2001.

Following entry into effect of law 190/2012 and Legislative Decree 33/2013 ENAV has *pro tempore* adopted the anti-corruption safeguards indicated therein for companies in which public administrations are shareholders, appointing a manager in charge of prevention of corruption in person of the head of the Audit department, in addition to adopting a three-year anti-corruption plan. Having regard to normative and regulatory elaborations *medio tempore* intervened, which covered the application of the law including, among other things, the ANAC Resolution 8 of 17 June 2015 and the regulatory amendments with reference to the scope of application of the aforementioned law, of which was also in ANAC Resolution 1310 of 28 December 2016, and with account taken of the Company's issuance of a bond listed on the regulated market and the listing of ENAV shares on the MTA, the differing discipline which is provided for listed companies now applies to ENAV.

In consideration of the above and also based on a comparison with best practices of other similar entities, ENAV opted to proceed with the adoption of an alternative model for management of corruption risk in addition to fraud, in line with best practices applied by listed companies and coherently with the applicable laws on this subject. Based on this option, the Company decided to revoke the appointment of manager for the prevention of corruption, eliminated the "transparency" section from the Company's website, eliminated the three-year plan on prevention of corruption and created a single figure within the group for the prevention of corruption extending the scope of this prevention to also include fraud and conferring upon the Internal Audit department the responsibility for managing the new anti-corruption and anti-fraud model.

Within the context of the anti-corruption and anti-fraud model adopted by ENAV, the Internal Audit mandate confers a broad range of action to this department in regard to such issues. ENAV has also identified alternative

measures against corruption including the issuing of Anti-Corruption Guidelines, the whistle blowing system for the management of disclosures, with account taken also of ISO standard 37.001 in line with best practices applicable internationally and domestically, which guarantees a specific and confidential information channel and the anonymity of the discloser.

During the year and in the initial months of 2017, the head of the Internal Audit department carried out the following activities:

- defined a work plan for 2016 in view of the listing process which took into account the activities that presented the higher risks;
- completed 13 audit reports arising both from the activities provided in the plan and as requested by the Board of Directors, Board of Statutory Auditors, Control, Risks and Related Parties Committee, head of the Internal Control and Risk Management System;
- periodically monitored the progress of the work inherent in the actions that were recommended;
- periodically reported to the Control, Risks and Related Parties Committee and the Board of Statutory Auditors on the activities carried out and the progress of the work;
- defined a plan for monitoring the prevention of corruption and fraud according to best practices of reference;
- began a Business Process Risk Assessment project on which the three-year plan for the internal audit department was based;
- collected and analysed the disclosures received (whistle blowing) including through investigations and focused checks;
- organised classroom based training sessions on anti-corruption in choosing topics in cooperation with the Supervisory Body;
- submitted the Internal Audit mandate for approval of the Board of Directors;
- formalised the internal Manual for Internal Audit activities.

8.3. The System for Risk Control and Controls Over Financial Reporting

ENAV Group's control system for financial reporting ("CSFD") which is an integral part of the broader Internal Control and Risk Management System ("ICRMS") aims to ensure that the objectives of reliability, accuracy, trustworthiness are applied to financial reporting.

The CSFD has been structured according to the "*Internal Controls – Integrated Framework*" issued by the Committee of Sponsoring Organisations of the Treadway Commission (the "COSO Report"), which provides for 5 components (control environment, risks and control activities information and communication and monitoring) which, in relation to their characteristics, operate both at the entity level and at the process level.

The responsibility for implementing and maintaining an adequate CSFD has been assigned to ENAV's Manager responsible for drawing up the company's financial reports, whose position is envisaged in the Articles of Association since 2007.

The establishment, maintenance and valuation of the internal control system covering financial disclosure are guaranteed through a structured process that includes the following phases:

- a) definition of the perimeter of the Company and of the significant processes (Scoping);
- b) analysis and valuation of the controls at the group entity level (ELC – Entity level Control);
- c) analysis and valuation of the controls at the process level through Risk Assessment, the definition of the controls and identification of the Key Controls;
- d) monitoring of the control operations;
- e) valuation of any inadequacies, approval and monitoring of remedial actions and updating of the administrative and accounting procedures;
- f) certification of the financial statements and the management report by the Chief Executive Officer and the Financial Reporting Officer.

Each of the indicated phases is described in summary below.

- a) The Manager responsible for drawing up the company's financial report of ENAV identifies the companies which are significant within the internal control system covering financial disclosures, based on a top-down and risk based approach, in order to guarantee adequate monitoring of the areas that are the most exposed to the risk of significant error or fraud in the financial statements.

In particular, 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 (total assets, total indebtedness, net revenues, result before taxes), and considering the existence of processes with specific inherent risks which would compromise reliability and accuracy of the financial information (and therefore risks of fraud) if they were to materialise.

Within the sphere of significant companies, 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).

Given the above, the relative risks are identified for the significant companies and processes, these being potential events that could compromise the achievement of the control objectives inherent in the financial reporting (e.g. declarations contained in the financial statements). The risk valuation activity differs depending on whether the risks are identified at the entity level or at the process level. In the first case, the risks which are identified are considered to have a significant impact on the financial information in consideration of their pervasiveness, regardless of their probability of occurring. In the second case, the risks are evaluated regardless of the relative controls (inherent risk valuation) in terms of their potential impact and probability of occurring, based on quantitative and qualitative parameters.

After identification and valuation of the risks, a control system is defined. Its purpose is to reduce to an acceptable level the possibility of the occurrence of risks, whether at the entity or the process level.

- b) The structure of the controls at the entity level, consists of a structured group of processes and controls that operate across the organisation to address, define, monitor and design and ensure the general operation of the internal control system in connection with financial reporting.
- c) 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 to prevent, identify and correct errors or irregularities that arise as activities are conducted. Key controls are the processes supporting the financial reporting which are included in the perimeter. These are those controls that are the most important in terms of correct representation in the financial statements. Among the structural elements that support correct execution of the operating activities and the relative safeguards, the Segregation of Duties (SOD) plays a significant role as its purpose is to ensure segregation of the corporate roles which are incompatible with the objective of reducing the risk of error.
- d) To verify and guarantee the operation of the internal control system in terms of financial reporting, the Manager responsible for drawing up the company's financial reports carries out specific tests and monitors, at the entity and a process level, in certain cases using also the Internal Audit department. In addition to eventual requests made by the Manager responsible for drawing up the company's financial reports, based on the audit plan which is been approved by the Board of Directors, the Internal Audit department carries out compliance, financial and operational audits to assess the appropriateness of the internal control system in connection with the financial reporting and submits the results of these audits to the Manager responsible for drawing up the company's financial reports.

The checks at the entity level are carried out every three years and in any case whenever significant changes take place.

- e) Following the verifications which are carried out or any significant changes (including organisational), if the assessment indicate that there are inadequacies in the internal control system with regard to financial reporting, the relative corrective actions required for achievement of the objectives of reliability, accuracy, truthfulness and timeliness of the reporting itself are identified. Consequently, the Manager responsible for drawing up the company's financial reports updates or if necessary prepares the relevant administrative accounting and publishing procedures to be published on the corporate Intranet, after sharing this information with the process owners.

Based on the results from the monitoring activity, the Manager responsible for drawing up the company's financial reports prepares a report on the adequacy of the internal control system insofar

as financial reporting is concerned. The report is shared with the Chief Executive Officer and communicated to the Board of Directors, after examination by the Risk Control and Related Parties Committee, on the occasion of the approval of the draft and annual financial statements and the half yearly financial report, for valuation on the internal control system insofar as financial reporting is concerned.

- f) Based on the consolidation of the results obtained and the overall evaluation of the control system for financial reporting, the Manager responsible for drawing up the company's financial reports and the Chief Executive Officer issue a certification regarding the effectiveness 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 Manager responsible for drawing up the company's financial reports of Techno Sky and the administrative offices of other subsidiaries.

8.4. The Organisational Model Pursuant to Legislative Decree 231 of 2001

Pursuant to Legislative Decree 231 of 2001, the Supervisory Body is responsible for overseeing the operation and observance of the Organisational model and the Code of ethics, as well as of updating the latter pursuant to the evolution of the organisational structure or of the regulatory context.

The ENAV 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 are prepared for the types of criminal offences provided by Legislative Decree 231 of 2001, applicable in the context in which the Company operates. They contain a list of the activities which are potentially exposed to the various risks – offences, the rules of conduct applicable to each area of interest, and the specific principles of control included in the Company's regulating instruments;
- a matrix of the areas exposed to the risk of criminal 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 231 criminal offences which outlines the assumptions pursuant to Legislative Decree 231 of 2001 with regard to the types of crimes and the administrative offences which carry administrative responsibility which is borne by the entities.

The ENAV Organisational Model is available on the Company's website, 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 one 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.

As concerns the training of the employees, during 2016 a training plan was launched and concluded for personnel which included the managers and executives of ENAV and the subsidiary Techno Sky. The program which consisted of approximately 20 classroom sessions involved over 80% of the target population.

8.5. The External Auditors

On 29 April 2016, the Shareholders' Meeting granted the auditing firm Reconta Ernst & Young S.p.A. (Now EY S.p.A.), the assignment to conduct the legal 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 financial years from 2016 to 2024.

8.6. The Financial Reporting Officer

After securing the opinion in favour of the Board of Statutory Auditors, pursuant to Article 18-bis of the Articles of Association, the Board of Directors of the Issuer appointed Ms. Loredana Bottiglieri as the Manager responsible for drawing up the company's financial reports for the three-year period from 2014 until 2016, until approval of the financial statements as at 31 December 2016.

In performing her activities, the Manager responsible for drawing up the company's financial reports prepares the adequate accounting procedures, verifies their effective and correct application and certifies in a specific report attached to the separate financial statements and the consolidated financial statements that they correspond to the results of the accounting records and truthfully and accurately depict the equity, income and cash flows of the Company and of all the companies included in the consolidation.

As resolved by the Board of Directors, the Manager responsible for drawing up the company's financial reports can:

- (i) have access to the accounting information that is used to define the equity and income of the Company and of its subsidiaries;
- (ii) identify and make the necessary procedural and structural amendments in regard to the preparation of the financial statements and correctly discharge his/her duties;
- (iii) assess whether to propose to the Board of Directors the creation of an ad hoc structure for discharge of his/her duties;
- (iv) independently work with the administration and control bodies of the Company and its subsidiaries.

Furthermore, the Manager responsible for drawing up the company's financial reports must implement the controls required by the law or regarding actual compliance with the administrative and accounting procedures, and take all actions required to ensure the truthful and accurate representation of the Company's equity, income and cash flows.

The Manager responsible for drawing up the company's financial reports shall participate in the meetings of the Board of Directors when the agenda contains issues that affect the equity, income or cash flows of the Company or the group if the issues pertain to his/her activities and he/she is able to access all the documents and resolutions of the corporate bodies that affect the Company's equity, income and cash flows.

As of the date of this Report, there are no incentive mechanisms in place for the Manager responsible for drawing up the company's financial report as such.

8.7. The Court of Auditors

The Company is subject to the auditing of its financial statements by the 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.

As at December 2016, the Result of the audit of ENAV's financial management for FY 2015 was published. President Angelo Buscema, the judge in charge of such audit for the Company, attends the meetings of the Board of Directors and of the Board of Statutory Auditors.

9. REMUNERATION OF THE DIRECTORS

The information on the remuneration of the directors, the statutory auditors, the general managers and other key management personnel with major responsibilities is contained in the Remuneration Report prepared by the Company pursuant to Article 123-*ter* of the TUF and is available on the Company's website www.enav.it.

10. BOARD OF STATUTORY AUDITORS

10.1. 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, among whom 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 will 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 formalised with an internal regulation, the adequacy of its own composition and the effectiveness of its own operations.

Standing and alternate auditors shall be appointed by the shareholders' meeting based on a slate 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 slates with candidates for appointment to sit on the Board of Directors, which was, for 2017, 1% of the share capital of ENAV, are entitled to submit lists (see CONSOB resolution no. 19856 of 25 January 2017). 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 submission, filing and publication of the slates.

The slate shall contain two sections: one for candidates for the office of standing auditor and the other for 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-bis.3, section b), of the Articles of Association, to be applied separately to each of the sections of the other slates.

For the appointment of statutory auditors who for any reason are not elected based on slates, the Shareholders' Meeting shall resolve with the legal majorities and without observing the procedure indicated above, but, in any case, in such a manner as to ensure 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*.3b).

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 and gender equilibrium, the second of the alternate auditors drawn from that same slate shall take over. Where subsequently it becomes necessary to replace the other auditor selected from the slate with the highest number of votes, the other alternate auditor drawn from that slate shall replace him or her.

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 these Articles, 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 internal control system. The Board of Statutory Auditors may request that directors provide information on corporate operations or regarding specific business.

10.2. Composition and Operation of the Board of Statutory Auditors

On 29 April 2016, the Shareholders' Meeting appointed Franca Brusco (Chair), Donato Pellegrino and Gennaro Pappacena, as standing auditors and Maria Teresa Cuomo and Ivano Strizzolo, as alternate auditors.

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 with entire shareholding, and all directors and auditors present 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 at 31 December 2018.

It is hereby noted that in its meeting of 16 March 2017, the Board of Directors resolved to propose to the Shareholders' Meeting the integration of the Board of Statutory Auditors with the appointment of a second alternate auditor.

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 and their respective offices.

Name	Office
Franca Brusco	Chairman
Mattia Berti	Standing Statutory Auditor
Donato Pellegrino	Standing Statutory Auditor
Maria Teresa Cuomo	Substitute Statutory Auditor

Annex 2 to the Report contains summary information on the personal and professional characteristics of the individual members of the Board of Statutory Auditors.

The meetings of the Board of Statutory Auditors can be held using audio-visual and teleconferencing facilities 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 2016, the Board of Statutory Auditors met 21 times, and the average duration of each meeting was 2 hours and 39 minutes, with 94% of its members present on the average. For additional information regarding the attendance of each member at the Board of Statutory Auditors meetings, please see table 3 attached to the Report.

In 2017, up to the date of this Report, the Board of Statutory Auditors met 4 times.

The Board of Statutory Auditors verified the independence of its members as soon as possible following their appointment, applying the valuation criteria relative to Article 144-*novies*, paragraph 1-*bis*, of the Issuers' Regulation and Application Criterion 8.C.1 of the Code of Conduct; during the year, the Board verified that its members continued to fulfil the independence requirements.

The Chairman of the Board of Directors ensured that, subsequently to their appointment and throughout their mandate, the statutory auditors are able to participate in initiatives that provide them with adequate knowledge regarding the industry of the Issuer, the corporate dynamics and their evolution, and the regulatory and self-regulatory environment of reference. In particular, the statutory auditors participated and shall continue to participate in the same induction initiatives organised for the directors, indicated in section 5.6 of this Report, which in some cases were combined with the training activities organised by third parties.

The Court of Auditors judge in charge of auditing the Company is always invited to and participates in the meetings of the Board of Statutory Auditors.

As part of the duties assigned to it by the law and in compliance with the recommendations of the Code of Conduct, 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 power to swiftly exchange with the Control, Risks and Related Parties Committee the information required for the pursuit of their respective duties.

In pursuing its activities, the Board of Statutory Auditors has constantly coordinated with the Internal Audit department and with the Control, Risks and Related Parties Committee, always taking part in the relative meetings.

Furthermore, in pursuing its activities, the Board:

- has met with the Company's Supervisory Body, receiving information and documentation and examining the report on its activities for 2016;
- has met regularly with the Director in Charge of Control and Risks, the Manager in charge of drawing up the Company's financial reports, the Auditing Firm, the Board of Statutory Auditors of the subsidiary Techno Sky, the Risk Management structure and other corporate structures involved in the internal control system;
- has participated regularly in the meetings of the Remunerations and Appointments Committee.

Pursuant to application criterion 8.C.4 of the Code of Conduct, if a statutory auditor has an interest in a specific Company transaction, whether on his or her own behalf or 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 his/her stake. None of the statutory auditors had any interest, whether on their own behalf or that of third parties, in significant transactions or in the relative conduct resulting there from.

During 2016, the Board of Statutory Auditors discharged its institutional duties pursuant to the Italian Civil Code, Legislative Decree 39/2010, Legislative Decree 58/1998 and the indications provided by CONSOB. The supervisory activity required by the law was conducted according to the provisions of the Code of Conduct for listed companies and the Code of Conduct for the Board of Statutory Auditors issued by the Italian accounting profession. In particular, these activities cover, *inter alia*, the following verifications related to:

- the listing of the Company on the MTA managed by Borsa Italiana S.p.A.;
- compliance with law and the Articles of Association;
- compliance with the principles of correct administration;
- the adequacy of the organisational structure and the internal control system;
- adequacy of the administrative and accounting system and legal auditing of the accounts;
- the separate and consolidated financial statements;
- the corporate governance rules;
- relations with subsidiaries and with the MEF;
- transactions with related parties.

11. 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*", which was subsequently amended on 6 July 2016 following the entry into effect of (EU) regulation 596/2014 the "Sensitive Information Procedure").

The Sensitive 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 Sensitive Information Procedure aim to ensure 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. Information which could be selectively released to specific individuals, such as, for example, shareholders, journalist or analysts, or is released in an incomplete or inadequate form.

The Sensitive Information Procedure aims to ensure that the members of the administration, management and control bodies and the employees of the Company and 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 belonging to the Group (the "Recipients"), (i) maintain maximum confidentiality of the information acquired during the pursuit of their work or profession duties, functions or office, in particular the sensitive information or the information which can become sensitive, and not to 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 Sensitive 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 sensitive 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 Sensitive Information Procedure and Registry Procedure are available on the Company's website www.enav.it.

12. INVESTOR RELATIONS

In line with the recommendations of principle 9 of the Code of Conduct, the Company has dedicated a specific section of its website to shareholders, containing information in regard to the Issuer of interest to the market.

In particular, the “*Investor Relations*” section of ENAV’s website contains the Company’s main economic-financial data and documents, including the financial statements and interim financial reports. Disclosures to the market of the quarterly, semi-annual and annual economic and financial data are made through appropriate press releases published on ENAV’s website and disclosed through the SDIR.

The “*Governance*” section of the website contains the main documents and information regarding ENAV’s corporate structure and information relating to the participation in and conducting of ENAV’s 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 timely and correct issuance of the economic and financial information of the Company to the market.

13. 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.

The Shareholders' Meeting called for approval of the financial statements as at 31 December 2016 will be the first meeting subsequent to the listing of the Issuer's shares on the MTA.

On this occasion, the Board of Directors will report on the activities it has carried out and on those which have been scheduled and will provide adequate disclosure to the shareholders to allow them to make knowledgeable decisions.

13.1. Calling of the Shareholders' Meeting

Pursuant to the law and to Article 7 of the Articles of Association, ordinary and extraordinary shareholders' meetings will be called through a message posted on the Company's website, and using other methods 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 called at least once a 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 objective of the Company, pursuant to the provisions of Article 2364 of the Italian Civil Code, last paragraph.

The shareholders' meeting shall be called in the cases and for the reasons provided 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 calls. 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.

13.2. 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 authorisation. 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 authorisations 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, areas to be used for the communication and the collection of the authorisation 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 that the market is open prior to the date set for the shareholders' meeting, including for further calls. The authorisation 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 authorisations and, in general, the right to attend and to vote. He or she shall direct and regulate the discussion.

Managers or employees of the Company or of the Group, representatives of the Auditing Firm and other entities whose participation the Chairman considers useful with regard to the items on the agenda or the work to be conducted can attend the Shareholders' Meeting.

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

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

13.3. Conducting of the Shareholders' Meeting

The Shareholders' Meeting shall be chaired by the Chairman of the Board of Directors or, in his or her absence, by the vice chairman if appointed, or by another person designated by the Shareholders Meeting. The Chairman will be assisted by a secretary, who is not required to be a shareholder, appointed by the Shareholders' Meeting. When required by the law and in any other case in which he or she considers it appropriate, the Chairman shall be assisted by a notary for the drafting of the minutes.

The Chairman confirms the regularity of the constitution of the meeting, verifies the identity and the legitimacy of those present, regulates its execution and verifies the results of the voting; the outcomes of these actions must be reported in the minutes.

The resolutions made 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.

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

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.

The Shareholders' Meetings are governed by a specific regulation approved with the resolution of the Ordinary Shareholders' Meeting on 10 March 2016, which is available on ENAV's website.

13.4. Intervening at the Shareholders' Meeting

Pursuant to the shareholders' meeting regulation, the Chairman of the 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, the person assisting the Chairman, shall answer the speakers upon completion of all interventions on the issues under discussion, or after each intervention, 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 arguments under discussion, the number of persons requesting the floor and any questions submitted by shareholders prior to the Shareholders' Meeting that have not 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 work 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.

14. OTHER CORPORATE GOVERNANCE PRACTICES

14.1. Code of Ethics

The rules of the Code of Ethics apply without exception 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 its 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 envisaged 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 should refer to with regard to the good operation, the reliability and reputation of the Company:

- (a) Legality;
- (b) Safety;
- (c) Confidentiality;
- (d) Honesty and Correctness;
- (e) Responsibility;
- (f) Equality;
- (g) Integrity;
- (h) Transparency;
- (i) Equity; and
- (j) 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.

In terms of the discipline that is followed and pursuant to the applicable laws, the Company assesses behaviour that violates the principles of the Code of Ethics exercising its power to apply the sanctions that are warranted, based on the seriousness of the events.

On 16 March 2017, the Board of Directors, upon the proposal of the Supervisory Body, approved an update to ENAV's Code of Ethics, which had previously been updated on 29 March 2016.

The Code of Ethics is published on the Company's website www.enav.it.

15. CHANGES AFTER BALANCE SHEET DATE

There have been no changes to the *Corporate Governance* of ENAV from the end of 2016 up to the date of this Report.

ANNEX 1: CURRICULUM VITAE OF THE MEMBERS OF THE BOARD OF DIRECTORS

Following are the *curricula vitae* of the members of the ENAV Board of Directors.

Chairman

Ferdinando Franco Falco Beccalli, holds a degree in Chemical Engineering from the Polytechnic University of Turin and is a Senior Executive of Rhône Capital and Chairman of the Board of Directors of Neovia Logistics and Ranpak Corp. In 1975, he began a long career with General Electric. He sits on various Boards of Directors of academic and research institutions in Italy and abroad. He has been an International Consultant for the Bocconi University of Milan and the advisor of the French Prime Minister Jean-Pierre Raffarin (1994–1995) and the Polish Minister of Finance in 1995. Since leaving his office as the Chairman and Managing Director of General Electric Europe and Chief Executive Officer of General Electric Germany at the end of December 2014, he has been involved in private equity and management consulting, through Falco Enterprises which is based in Zurich. In 2007, the President of the Italian Republic awarded him the Order of Merit of Labour. In 2009, the President of the French Republic Nicholas Sarkozy awarded him with the Order of *Légion d'Honneur*.

As a member of the Science & Technology Advisory Council, he was the direct advisor of the Chairman of the European Commission, José Manuel Barroso.

He has been the Chairman of the Board of Directors of ENAV since 30 June 2015.

Chief Executive Officer

Roberta Neri, obtained her degree in Business and Economics from 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 of information systems within corporate processes. In 1991, she joined ACEA S.p.A., a company listed on the Milan stock exchange since 1999, where she remained until 2009, holding positions of increasing responsibility in the areas of budget planning, controlling and strategic planning, until she became Chief Financial Officer.

She was a member of the boards of directors in numerous companies operating in the energy and environment sectors, including Acea Ato 2 S.p.A., Pubblacqua S.p.A., Aceaelectrabel S.p.A., Aceaelectrabel Produzione S.p.A. e di Aceaelectrabel Trading and Tirreno Power S.p.A.

She was 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 consulting to financial and industrial investors for structured transactions. She was initially the Chairman and Managing Director of this Company and a director from 2015.

From 23 April 2015, she has been a member of the Board of Directors of Acea S.p.A., where she also chairs the Control and Risks Committee and sits on the Related Party Transactions Committee and the Appointments and Remuneration Committee. She has been a director of Sorgenia S.p.A. since 27 March 2015. Until 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. She has chaired the Board of Directors of Techno Sky since August 2015.

With its resolution of 30 June 2015, the Board of Directors appointed Roberta Neri the Chief Executive Officer of ENAV.

Directors

Maria Teresa Di Matteo, holds a degree in Jurisprudence 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 human resources. She has been Deputy Head of Cabinet 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 in the Board of Directors of 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 from 30 June 2015; she sat in ENAV's Remuneration Committee from 7 July 2015 to the Listing Date.

Nicola Maione, obtained a degree in jurisprudence from "La Sapienza" University of Rome. He is a barrister to the Supreme Court. He is the owner of the law firm of the same name located in Rome which assists major companies in the areas of civil, corporate and bankruptcy law. He has had several positions as a receiver and Court liquidator at the bankruptcy court of Rome and has been designated several times by the MISE as a Government Commissioner, liquidator for cooperative companies and Judicial Commissioner pursuant to Legislative Decree 270 of 8 July 1999. He currently sits on the Supervisory Committees, in an expert capacity, of Bernardi Group S.p.A., Go Kids S.r.l and Nuova Sofia S.r.l. which is under extraordinary administration. He is a legal advisor in significant corporate restructuring operations, bankruptcy proceedings and corporate groups, including some under extraordinary administration. He has chaired the Supervisory Body of a financial company specialised in salary backed loans and a director of Milano Assicurazioni S.p.A. and Prelios Credit Servicing S.p.A. He has also presided over several settlement agreements pursuant to Article 240 of Legislative Decree 163/06. He has extensive academic experience in civil law and corporate governance and is the author of numerous publications. He has been a Director of ENAV since 19 September 2014 and a member of ENAV's Remuneration Committee since 7 July 2015. With resolution of 8 June 2016 and effective from the date of listing, he was appointed Chairman of the Risk, Control and Related Parties Committee and a member of the new ENAV Remuneration and Appointments Committee;

Stefano Siragusa, was born in 1976 and is an electro-technical engineer and Senior Partner and Director of Bain&Company. He has an international managerial profile and has held positions of increasing importance in multiple multinational companies. His professional experience began as a product manager, in the year 2000 with Siemens AG A&D in Germany. In 2002, he joined BCG–The Boston Consulting Group, a multinational leader in management consulting, where he defined strategies for the creation of value to major industrial players in the aerospace and defence, steel, rail road, contract work and automotive industries in Europe and Asia Pacific, but above all in North America. In 2011, he became a Partner & *Managing Director* of the company, initially in charge of managing the industrial asset division for the Mediterranean area and then in 2012 for coordination of the aerospace and defence division for Europe and the Middle East. In 2013, he joined the Global Operations Leadership Team of BCG and moved to New York where he was in charge of coordinating restructuring and operating relaunches for the entire Group. In December 2013, he left BCG to become the CEO di Ansaldo STS S.p.A., a company listed on the Milan stock exchange (STS.MI). Once the turnaround of AnsaldoSTS was concluded with the transfer of Finmeccanica –Leonardo to the Hitachi Group, he left AnsaldoSTS for his current position as the Senior Partner and Director di Bain & Company in charge of Special Situations and restructuring.

He has been a member of the board of directors and *governance* committee of Saipem S.p.A., the chairman of Metro5 and a member of the board of directors of Marangoni S.p.A.

He has been a member of the Board of Directors of ENAV since 29 April 2016. With resolution of 8 June 2016 and effective from the Listing Date, he was appointed Chairman of the Remuneration and Appointments Committee and a member of ENAV's Risk, Control and Related Parties Committee;

Stefano Siragusa obtained his degree in electro-technical engineering with honours from the Politecnico of Milan. He completed his education with an MBA from the MIP and HBS Harvard Business School.

He teaches Corporate Strategy and M&A – Merger and Acquisition at the LUISS Business School and he is a member of the Aspen Institute and YPO – Young Presidents' Organisation.

Alessandro Tonetti (1977) is the Chief Legal Officer of Cassa Depositi e Prestiti S.p.A.

He obtained his degree in jurisprudence with honours and two annual post graduate scholarships in the area of administrative sciences, with a particular focus on public law and the economy, studying under Professor Sabino Cassese. He subsequently was awarded a doctorate in Administrative law and organisation and the operation of public administrations from "La Sapienza" University of Rome and a specialised degree in European public law from the Academy of European Public Law of the Capodistrian University of Athens, delving further into the subject of competition and state aid. He is also licensed to practice law.

From June 2013 to February 2016, he was initially a member of the technical team for the coordination of economic policy supporting the Chairman of the Council of Ministers and then, from March 2014, became the

Deputy Head of the Cabinet of the Ministry of Economy and Finance. While representing the Ministry of Economy and Finance, he was a member of the Group coordinating the implementation of the discipline governing special powers over corporate assets under the Chairman of the Council of Ministers. He previously held managerial positions under the Chairman of the Council of Ministers and was a member of the consulting team for the regulation of public services, and the technical secretariat of the national steering committee for economic planning within the Council, supporting the inter-ministerial committee for economic planning.

He teaches Administrative Law at the graduate level at the "Roma Tre" University. In the past, he taught a course on Administrative Discipline for business at the University of Tuscia and was a fixed term professor of Finance Law at the Suor Orsola Benincasa University of Naples. He also taught courses at the Higher School of public administration and the higher school of economy and finance. He has published numerous essays and Articles in major legal reviews on national and European administrative law and economic public policy.

He has sat in the ENAV board of directors since 19 September 2014. From 7 July 2015 and up to the Listing Date, he chaired the Remunerations Committee in place at that time. Pursuant to the resolution of 8 June 2016, he was appointed as a member of the new Remuneration and Appointments Committee, effective from the Listing Date.

As of 27 April 2016, he has also been a director of Snam S.p.A, and from 11 May 2016, he has been a member of the latter's Remuneration and Appointments committees.

Mario Vinzia, is a graduate of the faculty of business administration of Bocconi University of Milan. He has published numerous books, articles and publications. He is a fixed term professor of the Accounting, Control, Corporate and Real Estate Finance sector at Bocconi University, focusing particularly on corporate finance, management of financial risks, financial planning, company evaluation and IAS/IFRS. He consults, primarily in civil and penal proceedings, with regard to derivatives and financial instruments in general and accounting standards and treatments.

He has been Head of Finance and Control at Eniservizi S.p.A. since 2006. Previously, between 1986 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., the Financial Director of Bull HN Information Systems Italia S.p.A., Group Treasurer of Zambon Group S.p.A. and Manager of low interest financing at Ciba-Geigy S.p.A.

He also sat in the Board of 24 ORE International S.A.

He has been a member of the Board of Directors of ENAV since 29 April 2016. With resolution of 8 June 2016 and effective from the date of listing, he was appointed as a member of the Remuneration and Appointments Committee and a member of ENAV's Risk, Control and Related Parties Committee;

ANNEX 2: CURRICULUM VITAE OF THE MEMBERS OF THE BOARD OF DIRECTORS

Franca Brusco, is a graduate of the University of Messina. She has been registered with the Register of Chartered Accountants and the Register of Auditors and the special register of Level 1 Local Entity Auditors since 2002. She owns an accounting concern in Rome and Milan and provides consulting services on corporate issues, financial statements and tax issues to trade associations, public bodies, private companies and companies with state participation. She has gained extensive advisory, legal and tax auditing and supervisory experience Pursuant to Legislative Decree 231/01, with private companies operating in industry, shipping, services and non-profit companies, as well as economic and non-economic public entities. She has had many positions as a member and /or chairwoman of boards of statutory auditors of private and public entities.

From 2003 to date, her services have encompassed joint-stock companies and “no profit” entities operating in the areas of marine infrastructure, anti-pollution, renewable energy, logistics and commerce. Within these areas, she has assisted management in administrative, financial, accounting and tax management and the personalisation of accounting systems; the compilation of separate and consolidated financial statements; economic and financial planning with deviation analysis; auditing and the provision of advice on company law, taxation and corporate reorganisation.

She has participated in meetings and staff training courses as a speaker/instructor on tax, corporate, accounting issues including public accounting.

From 29 April 2016, she has been the Chairwoman of the Board of Statutory Auditors of NAV.

Mattia Berti, has degrees in Economics and Business and Jurisprudence from the University of Bologna, both of which with honours. He is a certified public accountant (CPA) and has been a partner of the Bologna office of the La Croce firm since 2003, 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 2015–2016 he was a fixed term professor teaching “Financial statement technique and analysis” at the University of Ferrara. He often undertakes work with companies as a receiver, liquidator or statutory auditor, including legal auditing. He is currently the Chairman of the Board of Statutory Auditors of Micoperi S.p.A., Cura Gas & Power S.p.A., Cerindustries S.p.A. and Geminiani S.p.A., and has held this position with 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 a receiver without executive authority at Carimonte Holding S.p.A. and Soc. Coop. Lughese G. Mazzini, while he is the court appointed receiver of Rosa Real Estate S.p.A. He is a standing auditor with CO.R.A. S.p.A., Diemme Enologia S.p.A. and Futura 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. Capital Coop. He is a member of the board of auditors of the AlmaLaurea University Consortium.

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

Donato Pellegrino, is an Economics and Business Administration graduate of “La Sapienza” University of Rome, and 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 Regional Minister of Apulia under three different governments. He was appointed as a statutory auditor of the ENAV Board of Statutory Auditors on 20 July 2015, replacing the departing auditor.

From 29 April 2016, he is a statutory auditor of the Board of Statutory Auditors of ENAV.

Maria Teresa Cuomo, received her in Economics and Business in 1996, graduating from the University of Salerno with top grades. 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 Organisation of the Hospital of Salerno. She has chaired the

Supervisory Body of the Regional Agency for Residential Construction of the Province of Salerno since 2014. She has been chairwoman of the Board of auditors of the Municipality of Nocera Inferiore and the Board of Auditors of the "CRIS" Foundation of the Province of Salerno. 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 writes a column 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 (e.g. Honda Palace spa, EDM spa, Seieffe Industrie).

She has authored over 90 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*", *GIIKA*. 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.

TABLE 1 : INFORMATION ON THE OWNERSHIP STRUCTURE

SHARE CAPITAL STRUCTURE				
Shares Category	Number of shares	% of share capital	Market	Rights and obligations
Ordinary shares	541,744,385	100	Mercato Telematico Azionario	The shares are non-divisible and every share confers one voting right. The shares are freely transferable

As at the date of the present Report, the Company does not own treasury shares. The MEF holds 53.373% of the share capital; the floating share capital amounts to 46.627%.

TABLE 2: STRUCTURE OF BOARD OF DIRECTORS AND COMMITTEES

Board of Directors													Control, Risks and Related Parties Committee.		Remun. and Appts. 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 ***	% (*)	(*)	(**)	(*)	(**)
Chairman	Ferdinando Falco Beccalli	1949	30/06/2015	30/06/2015	Approval of 2016 financial statements	–	–	X	–	–	3	15/15	–	–	–	–
Chief Executive Officer (◇)(•)	Roberta Neri	1964	30/06/2015	30/06/2015	Approval of 2016 financial statements	–	X	–	–	–	1	15/15	3/7 (as Director in charge of the SCIGR)	–	–	–
Director	Maria Teresa Di Matteo	1958	19/09/2014	19/09/2014	Approval of 2016 financial statements	–	–	X	–	–	0	14/15	–	–	–	–
Director	Nicola Maione	1971	19/09/2014	19/09/2014	Approval of 2016 financial statements	–	–	X	X	X	0	15/15	7/7	P	8/8	M
Director	Alessandro Tonetti	1977	19/09/2014	19/09/2014	Approval of 2016 financial statements	–	–	X	–	–	1	15/15	–	–	8/8	M
Director	Stefano Siragusa	1976	29/04/2016	29/04/2016	Approval of 2016 financial statements	–	–	X	X	X	0	10/10	7/7	M	8/8	P
Director	Mario Vinzia	1962	29/04/2016	29/04/2016	Approval of 2016 financial statements	–	–	X	–	–	0	10/10	7/7	M	–	–
No. of meetings that took place during the fiscal year: 15						Control, Risks and Related Parties Committee.: 7						Remuneration and Appointments Committee: 8				
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 column named "Office":

• 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 Board of Directors of ENAV;

* the date of initial appointment is the date on which the director was appointed for the absolutely first time in the Board of Directors of ENAV

** the Board of Directors 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. Appointment through the voting by list mechanism will take place at the time of the next renewal of the Board of Directors, in occasion of the Shareholders Meeting convened for the approval of the 2016 financial statements;

*** 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 significant companies. The present Report contains a full description of the duties;

(*) this column indicates the attendance of the directors at the meetings of the Board of Directors and the committees, respectively;

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

TABLE 3 : STRUCTURE OF THE BOARD OF STATUTORY AUDITORS

The Board of Statutory Auditors									
<i>Office</i>	Members	Year of birth	Date of initial appointment *	In office since	In office until	Slate **	Indep. Code	Attendance at the Board meetings ***	No. of other offices ****
Chairman	Franca Brusco	1971	29/04/2016	29/04/2016	Approval of 2018 financial statements	–	X	14/14	15
Standing Statutory auditor	Mattia Berti	1968	20/06/2016	21/06/2016	Approval of 2018 financial statements	–	X	9/11	13
Standing Statutory Auditor	Donato Pellegrino	1948	20/07/2015	20/07/2015	Approval of 2018 financial statements	–	X	14/14	0
Substitute Statutory Auditor	Maria Teresa Cuomo	1973	29/04/2016	29/04/2016	Approval of 2018 financial statements	–	X	0/1	2
----- STATUTORY AUDITORS WHO RESIGNED DURING THE FISCAL YEAR-----									
Chairman	Paola Ferroni	1950	11/06/2013	17/06/2013	29/04/2016	–	–	7/7	
Standing Statutory auditor	Gennaro Pappacena	1967	20/07/2015	22/07/2015	16/06/2016	–	–	8/9	–
Substitute Statutory Auditor	Ivano Strizzolo	1952	29/04/2016	03/05/2016	17/06/2016	–	–	–	–
Substitute Statutory Auditor	Daniela De Vincenzo	1955	20/06/2013	17/06/2013	29/04/2016	–	–	–	–

Substitute Statutory Auditor	Riccardo Monaco	1967	11/06/2013	13/06/2013	29/04/2016	–	–	–	–
Number of meetings that took place during the fiscal year: 21									
Quorum required for presentation of the minority lists for election of one or more members (pursuant to Article 148-ter of the TUF): 1%									

NOTES

* The date of initial appointment of each statutory auditor is the date on which he or she was appointed for the absolutely first time to the Board of Statutory Auditors of ENAV.

** 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. Appointment through the voting by list mechanism will take place at the time of the next renewal of the whole body, in occasion of the Shareholders Meeting convened for the approval of the 2018 financial statements.

*** This column indicates the attendance of the statutory auditors at the meetings of the Board of Statutory Auditors compared to the total meetings held.

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

ⁱ Maria Teresa Cuomo 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 Gennaro Pappacena, until the body was reconstituted by the Shareholders' Meeting of 20 June 2016.