

In table 1 - section II - relating to the “Remuneration paid to the members of the Board of Directors and of the Board of Auditors, as well as the General Manager and other key management personnel for 2018” the footnotes *3a* and *4a* have been amended with the deletion of the following wording: "entirely transferred to the Ministry of Infrastructure and Transport" and the footnotes *3a-bis* and *4a-bis* have been introduced.



**REMUNERATION REPORT  
OF THE  
BOARD OF DIRECTORS**

**(PREPARED PURSUANT TO ARTICLES 123-TER OF THE CONSOLIDATED LAW ON FINANCIAL INTERMEDIATION  
AND 84-QUARTER OF THE ISSUERS REGULATION)**

**APPROVED BY THE BOARD OF DIRECTORS OF ENAV S.P.A.  
ON 11 MARCH 2019**

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## LETTER FROM THE CHAIRMAN OF THE REMUNERATION AND APPOINTMENTS COMMITTEE



Dear Shareholders,

I am pleased to present to you, on behalf of the Committee and of the Board of Directors, the annual Remuneration Report, whose first section illustrates the Remuneration Policy for 2019, drawn up by the Committee, composed of myself and the directors Giuseppe Acierno and Maria Teresa Di Matteo. To them, and to director Fabiola Mascardi, a former member of the Committee called to serve in new positions by the Board, my personal thanks for the important work done in these months of shared commitment. The Report again seeks to provide the market and investors with complete information on the policies introduced for 2019 (section I) and on the remuneration paid to the directors and management in 2018 (section II). In order to ensure the highest level of disclosure, the graphical and tabular representation of the information and practices introduced or consolidated has been retained and improved.

The remuneration policy proposed for 2019 retains previously developed arrangements, and at the same time has been adapted to market practices and the desire of our company to continue on the path of steady growth, both on the regulated market and on the non-regulated market.

The Committee formulated the proposals for the 2019 Remuneration Policy in continuity with 2018, in light of the positive feedback received at the 2018 Shareholders' Meeting, as well as our Committee's assessment of the overall consistency of the remuneration of top management with the strategic plans of ENAV and of the application of the 2018 Policy Guidelines, a comparative analysis of remuneration and developments in market practices.

In 2018 the Committee proposed to the Board of Directors a model for the objectives and the variable compensation for the position of the Chief Executive Officer and, for the part dedicated to them, those for key management personnel. These are key and particularly challenging objectives, in line with the Business Plan and with the annual budget on which the Report offers a transparent picture of the precise link between results and pay, as demanded by the regulatory framework and by investors. The Committee has subsequently monitored developments in performance and applied the policy on the basis of that performance. While you can consult the body of the Report for details, it is useful to focus on a number of features.

The first objective, which regarded maintaining and improving the performance of our core business of air traffic management, was achieved while ensuring absolute safety and punctuality. Faced with unprecedented 9% growth in air traffic and a number of unexpected operational problems at major European airports, which had a significant impact on flights, operations were conducted without incident and with the best punctuality record in Europe. Furthermore, the Company made an exceptional effort to close litigation that had been under way for years, achieving a significant financial and cash boost. In addition, continuing the actions begun in 2017 within its scope of responsibility, the Committee monitored the goal of developing revenues from non-core and non-

regulated activities. Despite the fact that the 2018 target for this category of revenues was not achieved, the Committee has proposed to the Board of Directors that it raise the level of the target in the 2019 objectives.

Last but not least, due to the increasing attention paid by the Company to sustainability issues, which prompted the establishment of the Sustainability Committee on 2 August 2018, the Committee proposed to the Board that it introduce a specific target in the 2019 Remuneration Policy for expanding corporate awareness of this key issue, a proposal that the Board subsequently approved. The Company, which this year is releasing its first sustainability report, is committed to making an important transition from compliance to a new approach to sustainability, in the sense of long-term value creation for stakeholders. The introduction of an initial objective in the CEO's scorecard is therefore only a first step in the development of remuneration policies that comply with the new rules at the national and EU level for sustainable finance and with the positions of the most influential institutional investors.

Confident that the choices we have made, and emphasising their continuity with the Remuneration Policy approved at the last Shareholders' Meeting, will be understood and appreciated, I thank you on behalf of the Committee for your support for the Remuneration Policy proposed for 2019.

**The Chairman of the Remuneration and Appointments Committee**

Carlo Paris

# OVERVIEW OF THE 2019 REMUNERATION POLICY

Members	Features	Implementation	Weighting*	Values
<b>Fixed remuneration</b>	Aimed at rewarding skills and professionalism, this is paid monthly and is linked to the nature and extent of the powers granted.	Not subject to conditions	<b>Chairman 100%</b> <b>CEO: 43 %</b> <b>Key Managers: 59 %</b>	<b>Chairman €150,000</b> per year gross (€50,000 as resolved by the Shareholders' Meeting pursuant to Article 2389 - paragraph 1 of the Italian Civil Code and €100,000 as approved by the Board of Directors pursuant to Article 2389 paragraph 3 of the Italian Civil Code) <b>Chief Executive Officer €440,000</b> annual gross (€30,000 as approved by the Shareholders' Meeting pursuant to Article 2389, paragraph 1, of the Italian Civil Code and €410,000 as approved by the Board of Directors pursuant to Article 2389 paragraph 3 of the Italian Civil Code) <b>Key Managers:</b> commensurate with the position held and relative market benchmarks
<b>Short-term variable remuneration (STI)</b>	Aimed at motivating and guiding management action in the short term, in line with the corporate budget objectives. The amount of the STI is commensurate with corporate and individual performance results, as applicable.	<b>CEO objectives:</b> <ul style="list-style-type: none"> <li>• <b>Group EBITDA (40%)</b></li> <li>• Group net income (20%)</li> <li>• Operating performance (20%)</li> <li>• Revenue from non-regulated activities (10%)</li> <li>• Sustainability assessment</li> </ul> <b>Key Manager objectives:</b> financial and operating performance objectives coinciding with those of the Chief Executive Officer (performance hurdle), with the exception of the sustainability objective, plus individual objectives differentiated for each Key Manager, depending on the responsibilities assigned. <b>Objectives - Other Managers:</b> individual objectives of an economic, operational and planning nature, related to specific functional responsibilities	<b>CEO: 22 %</b> <b>Key Managers: 18 %</b>	Incentives paid on the basis of the results achieved in the previous year and valued according to a performance scale of 95/110, with a minimum incentive threshold corresponding to a performance of 95 (access threshold). <b>CEO: 50%</b> of the fixed remuneration for results of the company profile equal to the target (score = 100); <b>75%</b> of fixed remuneration for results equal to max (score = 110); <b>25%</b> of fixed remuneration for results equal to min (score = 95). <b>Key Managers: 30%</b> of fixed remuneration for performance results equal to the target (score = 100); <b>40%</b> of fixed remuneration for results equal to max (score = 110); <b>15%</b> of fixed remuneration for results equal to min (score = 95). <b>Other Managers:</b> percentages of fixed remuneration differentiated according to the organisational role held.

<b>Long-term variable remuneration (LTI)</b>	The beneficiaries are the CEO, the Key Managers and certain other managers with direct responsibility for company performance. The system is designed to guarantee the correlation between the creation of value for shareholders and management and to retain the loyalty of beneficiaries in the medium-to-long term.	<p>Plan with a three-year vesting period and annual assignment</p> <p><b>Performance indicators:</b></p> <ul style="list-style-type: none"> <li>• Relative TSR (40%)</li> <li>• Cumulative EBIT (30%)</li> <li>• Cumulative FCF (30%)</li> </ul> <p><b>Incentive allocation: depending on the role held.</b> The incentive is calculated as a percentage of the total fixed component.</p>	<p><b>CEO: 35%</b></p> <p><b>Key Managers: 23%</b></p>	<p><b>CEO:</b> the planned incentive is: <b>80%</b> for the achievement of target performance; <b>120%</b> in the case of over-performance; <b>40%</b> in the case of under-performance (for final accounting criteria see Sect. I letter E)</p> <p><b>Key Managers:</b> the planned incentive is: <b>40%</b> for achievement of target performance; <b>60%</b> in the case of over-performance; <b>20%</b> in the case of under-performance</p> <p><b>Other Managers:</b> the planned incentive is: <b>30%</b> for achievement of target performance; <b>45%</b> in the case of over-performance; <b>15%</b> in the case of under-performance</p>
<b>Other compensation and benefits</b>	Integral part of the remuneration package mainly related to welfare and social security	Defined in a manner consistent with the policy adopted in recent years in compliance with the provisions of the National Collective Labour Agreement for the Executive staff of ENAV.	-	<p><b>For CEO and Key Managers:</b></p> <ul style="list-style-type: none"> <li>• supplementary pension fund</li> <li>• health insurance</li> <li>• forms of insurance coverage of risks of death and permanent disability resulting from occupational and extra-professional accidents, illness due to service and other causes</li> <li>• company car for personal and business use</li> </ul>

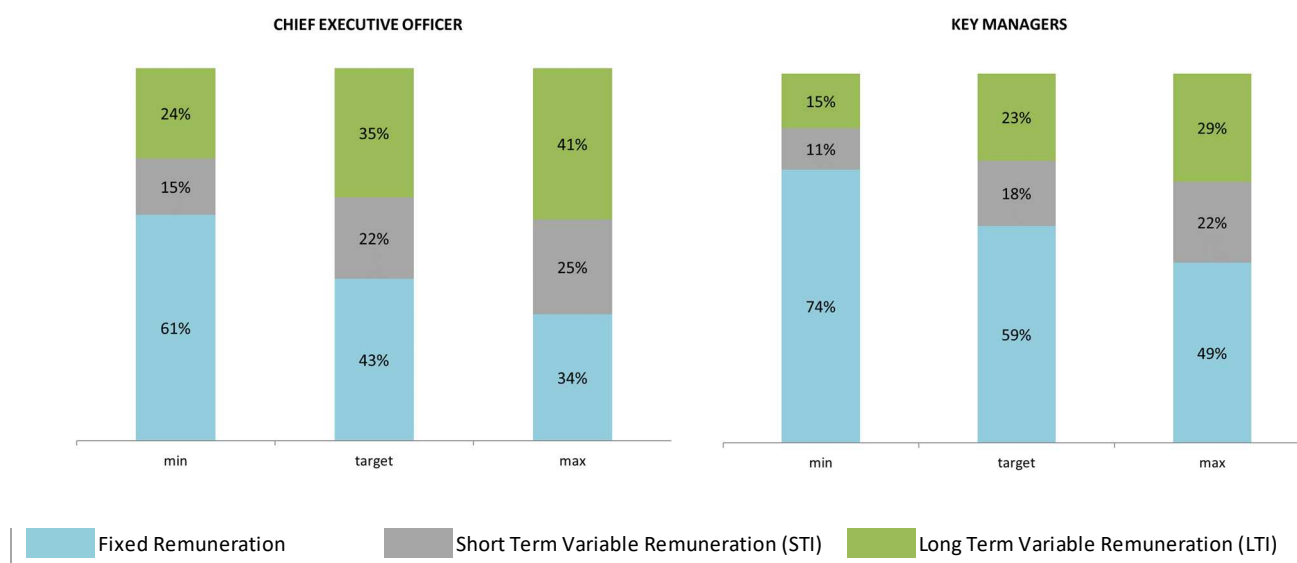
\* This is the weight of the individual component of remuneration compared with total remuneration. Values are calculated as a percentage of the target values for STI and LTI.



## Summary of the remuneration components for the CEO and key management personnel

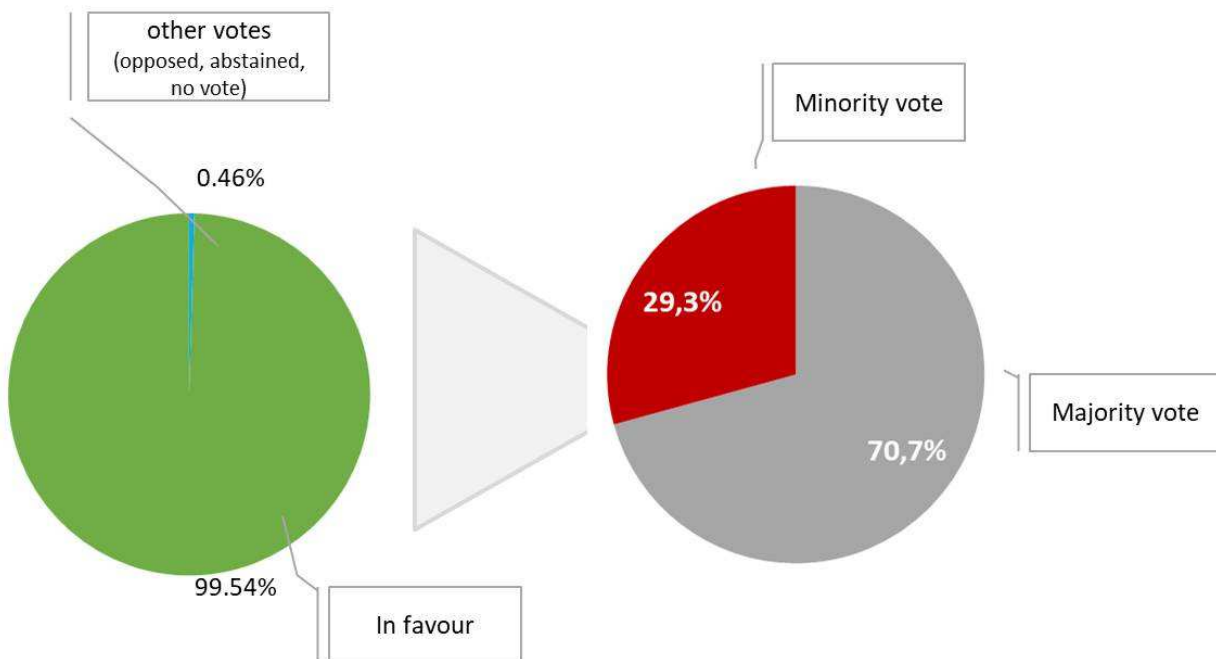


## Variation in the remuneration of the Chief Executive Officer and key management personnel as a result of the achievement of performance targets and the associated pay mix



### Shareholders' vote on the first section of the 2018 Remuneration Report

In compliance with applicable regulations, in 2018 the Shareholders' Meeting of ENAV held an advisory vote on the first section of the Remuneration Report. The percentage of votes in favour was equal to **99.54%** of the participants.



## INTRODUCTION

This remuneration report (**‘Report’**), approved on 11 March 2019 by the Board of Directors of ENAV S.p.A. (**‘ENAV’**, or the **‘Company’**), upon the proposal of the Remuneration and Appointments Committee, in compliance with the applicable legal and regulatory provisions of Article 123-ter of Legislative Decree 58/98 (the Consolidated Law) and Article 84-quarter of the Consob Issuers Regulation – Resolution no. 11971/99 as amended, and in line with the recommendations of the Corporate Governance Code (the **‘Code’**) on the subject of remuneration, contains:

- in the first section, the illustration of the Policy adopted for 2019 by ENAV for the remuneration of directors and key management personnel (**‘key managers’**), indicating the procedures used for the adoption and implementation of this policy;
- in the second section, the indication of the remuneration paid in the financial year 2018 (the **“Financial Year”**) to the directors, to the member of the Board of Auditors of ENAV and *pro rata temporis* of the Financial Year to the interim General Manager<sup>1</sup> and, in aggregate form, to the other key managers of ENAV.

This Report is made available to the public at the Company’s registered office, on the Company’s website ([www.enav.it](http://www.enav.it), in the **‘Governance’** - **‘2019 Shareholders’ Meeting’** section) and also in the authorised storage mechanism, 1Info, within 21 days before the date of the Shareholders’ Meeting convened to approve the financial statements for financial year 2018 and called upon to give its opinion on the first section of the same Report with a non-binding resolution<sup>2</sup>.

## SECTION I: REMUNERATION POLICY FOR 2019

### 1. Remuneration policy governance

The Company has adopted a governance model designed to guarantee the transparency, consistency and appropriate control of remuneration policy and its implementation.

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<sup>1</sup> On 27 July 2018 ENAV reached an agreement for the consensual termination of all relationships between the General Manager and the Company as well as all other Group entities, with effect from 31 July 2018.

<sup>2</sup> Article 123-ter of the Consolidated Law, paragraph 6. *“Without prejudice to the provisions of Articles 2389 and 2409-terdecies, first paragraph, letter a) of the Italian Civil Code and Article 114-bis, the shareholders’ meeting convened pursuant to Article 2364, second paragraph, or Article 2364-bis, second paragraph, either approves or rejects the section of the remuneration report provided for in paragraph 3. The resolution is not binding. The outcome of the vote is made available to the public pursuant to Article 125-quater, paragraph 2.”*

The process of defining ENAV's remuneration policy, in accordance with the provisions of law and of the articles of association, involves, each in their respective area of responsibility:

- (i) the Shareholders' Meeting
- (ii) the Board of Directors
- (iii) the Remuneration and Appointments Committee
- (iv) the Board of Auditors

**(i) The Shareholders' Meeting:**

With regard to remuneration, ENAV's Shareholders' Meeting:

- gives its opinion with a non-binding vote on the first section of the Report;
- determines the remuneration of the members of the Board of Directors at the time of appointment and for the entire duration of their term;
- resolves, acting on a proposals of the Board of Directors, on compensation plans based on the grant of financial instruments.

**(ii) The Board of Directors**

With regard to remuneration, ENAV's Board of Directors:

- determines, acting on a proposal of the Remuneration and Appointments Committee, and after obtaining the opinion of the Board of Auditors, the remuneration of directors vested with special duties (Chief Executive Officer, Chairman of the Board of Directors, directors who participate in committees established by the Board of Directors);
- approves the Remuneration Report to be presented to the Shareholders' Meeting;
- implements the remuneration plans based on shares or financial instruments approved by the Shareholders' Meeting, in accordance with the related resolution;
- defines, acting on a proposal of the Remuneration and Appointments Committee, the policy for the remuneration of the Company's key management personnel;
- verifies the effective achievement of the Chief Executive Officer's performance objectives.

**(iii) The Remuneration and Appointments Committee: composition, responsibilities and operating procedures**

On matters concerning remuneration, the Board of Directors is supported by an internal board committee composed of non-executive directors, the majority of whom are independent, which has the function of submitting proposals and providing advice on this issue, pursuant to the recommendations of the Corporate Governance Code and in accordance with the provisions of the

rules of the Remuneration and Appointments Committee (the “**Committee Rules**”) approved by the Board of Directors with a resolution of 21 June 2016.

During the Financial Year and until 13 November 2018, the Remuneration and Appointments Committee was composed of Carlo Paris (independent non-executive director) acting as Chairman, Maria Teresa Di Matteo (non-executive director), Fabiola Mascardi (independent non-executive director) and Giuseppe Acierno (independent non-executive director). On 13 November 2018, having regard to the Board resolutions of 8 November 2018, and in particular to the appointment of the new Chairman of the Board of ENAV, and in order to achieve a balanced distribution of the workload requested of the directors participating on the committees and foster an exchange of knowledge, the Board of Directors reorganised the governance arrangements of the Company, with a focus on the membership of the internal Board committees. As a result of this reorganisation, as at the date of this Report, the Remuneration and Appointments Committee is composed of Carlo Paris (independent non-executive director) acting as Chairman, Maria Teresa Di Matteo (non-executive director) and Giuseppe Acierno (independent non-executive director).

The composition, duties and operation of the Committee, with separate indication of the committee’s functions with regard to remuneration and those concerning appointments, are governed in detail in the Committee Rules.

With regard to remuneration, the Committee is responsible for assisting the Board of Directors with the preliminary analysis of the topics, formulating proposals and providing advice, pursuant to Article 3 of the Committee Rules and in line with the provisions of Principle 6 of the Code.

More specifically, the Committee has the following duties:

- to submit proposals or to express opinions to the Board of Directors on the remuneration of executive directors and other directors who hold certain offices, as well as on the determination of performance targets related to the variable component of remuneration;
- to periodically assess the adequacy, overall consistency and effective application of the remuneration policy for directors and key managers, making use of the information provided by the Chief Executive Officer in this latter regard;
- to review the annual Remuneration Report prior to publication before the annual Shareholders’ Meeting called to approve the financial statements;
- to monitor the application of the decisions adopted by the Board of Directors, verifying, in particular, that the performance targets have actually been achieved.

Within the scope of its duties, the Committee prepares, submits to the Board of Directors and monitors the application of incentive schemes for senior management (including share-based

remuneration plans), which are designed to attract and motivate executives of an appropriate level and experience, developing their sense of loyalty, a sense of belonging and ensuring they strive constantly to create value over time.

In order to perform its duties, the Committee is provided with the necessary resources by the Board of Directors. Specifically, the Board, with a resolution of 27 February 2018, having obtained the opinion of the Board of Auditors, resolved to grant the Committee an annual budget of €50,000.

Moreover, within the budget established by the Board of Directors and where the specific nature of an issue requires it, the Committee may avail itself of external consultants and experts of recognised expertise in the subject matters addressed by the Committee, provided that they do not simultaneously provide the Human Resources and Corporate Services Department, the directors or key management personnel a level of services that would compromise the independent judgement of the consultants. The Committee can access the information necessary for the performance of its duties and draw on the support of Company departments in the matters within its areas of responsibility.

In preparing the Remuneration Policy referred to in Section I of this Report, the Committee sought the support of the independent advisor MERCER, selected through a specific competitive call for applications.

The Chairman of the Committee reports to the first Board of Directors called after the meetings of the Committee. Additionally, the Committee reports to shareholders on the procedures for exercising its functions. For this purpose, the Chairman or another member of the Committee attend the annual Shareholders' Meeting.

With regards to its specific duties and responsibilities on remuneration matters, during 2018 and in the first few months of 2019, the Committee performed the following activities:

- submitted a proposal to the Board of Directors, which approved it, for the remuneration pursuant to Article 2389, third paragraph, of the Italian Civil Code of the members of the Sustainability Committee established by the Board of Directors on 2 August 2018, as reported in detail in this Report;
- verified the continuing effectiveness of the Performance Share Plan and proposed to the Board of Directors, which approved it, the start of the 2018-2020 cycle of the plan, as well as a number of minor changes to the language of the plan's implementing rules in order to clarify a number of operational mechanisms;
- issued its opinion on the remuneration for the officers of a subsidiary;

- monitored the preliminary assessment connected with the termination of the employment relationship with the interim General Manager and the conformity of the associated severance pay with the Company's Remuneration Policy;
- performed the preliminary work for the designation of two new key managers in the persons of the Chief Operating Officer and the Chief Technology Officer, who join the Chief Financial Officer and the Chief Human Resources and Corporate Services Officer, and prepared the guidelines for their remuneration policy;
- proposed the approval of this Remuneration Report to the Board of Directors, for subsequent presentation to the Shareholders' Meeting of the Company.

No director took part in the meetings of the Committee in which proposals to the Board of Directors concerning their individual remuneration were formulated. The Chairman and/or members of the Board of Auditors participated in the meetings of the Committee, as did, upon invitation, representatives of certain departments of the Company responsible for the issues addressed.

During 2018 the Committee met 14 times, with average attendance of 96,43%, of its members.

In the first months of 2019 and through the date of this Report, the Committee has met 4 times and has scheduled a further 8 meetings.

The following table provides an overview of the Committee's work in the area of remuneration,<sup>3</sup> in accordance with the provisions of the Code and the Committee Rules:

COMMITTEE BUSINESS	
<b>May – June 2018</b>	<ul style="list-style-type: none"> <li>• analysis of the results of the Shareholders' Meeting vote on the 2018 Remuneration Report</li> <li>• start of preliminary work on the succession plans for key management personnel and verification of the contingency mechanisms of the Company and the main subsidiary Techno Sky</li> </ul>
<b>July – August – September 2018</b>	<ul style="list-style-type: none"> <li>• evaluation of the preliminary proceedings and the contents of the agreement to terminate the employment relationship between the companies of the ENAV Group and the interim General Manager, and verification of its compliance with the Company's remuneration policy</li> </ul>

<sup>3</sup> For information on the Committees duties with regard to appointments and its activities during the Financial Year, please see the appropriate section of the Report on Corporate Governance and Ownership Structure, prepared pursuant to Article 123-bis of the Consolidated Law and published on the Company website in the section Governance – Shareholders' Meeting 2019.

	<ul style="list-style-type: none"> <li>issuing of opinion on remuneration to be paid to the corporate officers of a subsidiary in the field of UTM traffic</li> </ul>
<b>October 2018</b>	<ul style="list-style-type: none"> <li>submission of a proposal concerning the remuneration of the non-executive directors on the Sustainability Committee</li> <li>analysis of the performance for 2017 of the first cycle of the 2017-2019 Performance Share Plan</li> </ul>
<b>November- December 2018</b>	<ul style="list-style-type: none"> <li>submission of proposals to the Board of Directors for (i) minor amendments to the plan's Implementing Rules and (ii) launch of the second cycle (2018-2020) of the 2017-2019 Performance Share Plan</li> </ul>
<b>January-February 2019</b>	<ul style="list-style-type: none"> <li>2019 remuneration policy on short-term variable incentives (STI) for the CEO and definition of remuneration policy guidelines for key management personnel</li> </ul>
<b>February- March 2019</b>	<ul style="list-style-type: none"> <li>calculation of the short-term variable remuneration (STI) for the CEO and verification of the application of the remuneration policy for key management personnel</li> <li>examination of the draft 2019 Remuneration Report, for submission for the approval of the Board of Directors</li> </ul>

#### **(iv) Board of Auditors**

The Board of Auditors regularly attends the meetings of the Committee with the presence of the Chairman and/or of one or more standing auditors and gives the opinions required under applicable regulations with regard, in particular, to the remuneration of directors vested with special duties pursuant to Article 2389, third paragraph, of the Italian Civil Code, verifying their consistency with the general guidelines and policies of the Company.

## **2. Objectives of the Remuneration Policy and underlying principles**

The Remuneration Policy described in this report focuses on the remuneration of the members of the administrative bodies and the other key management personnel.

This Policy is designed to attract, retain and motivate personnel with the professional qualities required to manage the Company successfully and to facilitate the alignment of management interests with the pursuit of the priority objective of creating value for shareholders and achieving



our performance targets, making strategic use of short-term and long-term variable remuneration mechanisms.

For non-executive directors, the Remuneration Policy takes account of the commitment required of each of them, as well as their membership of one or more committees, and is not linked to the Company's financial performance.

### **3. Fixed and variable components of remuneration, relative weight within overall remuneration and short and medium/long-term variable components**

In order to reinforce the link between remuneration and the medium/long-term interests of the Company, the Remuneration Policy for the Chief Executive Officer and the other key management personnel is structured to ensure:

- an appropriate balance between the fixed component and the variable component;
- that the fixed component is sufficient to remunerate performance if the variable component is not achieved;
- a minimum access threshold for performance targets;
- that maximum limits are set for variable components, with significant over-performance required with respect to the target;
- the performance targets are predetermined, measurable and linked to the creation of value for shareholders over the medium/long-term;
- the payment of part of long-term variable remuneration is deferred for an appropriate period of time after having vested.

With specific reference to the share-based LTI Plan – referred to in the Information Document<sup>4</sup> prepared pursuant to Article 84-*bis* of the Issuers Regulation and approved by the Shareholders' Meeting of 28 April 2017 pursuant to Article 114-*bis*, paragraph 1, of Legislative Decree 58 of 24 February 1998 - and to the Implementing Rules approved, acting on a proposal of the Committee, by the Board of Directors on 11 December 2017 and amended on 13 November 2018 to clarify a number of implementation issues, under the provisions of the Remuneration Policy:

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<sup>4</sup> The Information Document is available to the public at the registered office of the Company, on the Company's website at [www.enav.it](http://www.enav.it), in the section "Governance - Shareholders' Meeting 2017", as well as on the website of the 1INFO authorised storage mechanism managed by Computershare S.p.A. at [www.1info.it](http://www.1info.it).

- shares are granted using a rolling mechanism with an average vesting period of three years, which envisages the structuring of the plan over three cycles linked to the achievement of certain financial targets;
- the vesting referred to in the previous point is subject to predetermined and measurable performance targets, identified both in terms of relative share price performance, expressed by ENAV's total shareholder return compared with the total shareholder return of a specified peer group (A2A, AENA, ATLANTIA, FRAPORT, INWIT, IREN, ITALGAS, RAIWAY, SNAM, TERNA), and in relation to financial and profitability indicators (cumulative free cash flow and cumulative EBIT) in order to ensure an appropriate balance between objectives linked to the performance of the stock and objectives linked to the financial performance of the Company;
- the beneficiaries of the plan are subject to limitations on a portion of shares covered by specific lock-up clauses;
- specific claw-back clauses are envisaged, in line with the market best practice and with the provisions of the Code;
- overall remuneration is consistent with market benchmarks for comparable positions or roles with a similar level of responsibility and complexity within a panel of peers that, with the support of a consultant, have been deemed comparable to ENAV.

In line with the above, the Remuneration Policy establishes that remuneration is composed of:

○ **for the Chairman of the Board of Directors:**

- a fixed salary component consisting of:
  - gross annual remuneration of €50,000, resolved pursuant to Article 2389, first paragraph, of the Italian Civil Code by the Ordinary Shareholders' Meeting of 28 April 2017 for the position of Chairman of the Board of Directors; and
  - gross annual remuneration of €100,000, resolved pursuant to Article 2389, third paragraph, of the Italian Civil Code by the Board of Directors on 11 October 2017, acting on a proposal of the Committee and having obtained the favourable opinion of the Board of Auditors. Following the resignation of the interim Chairman of the Board of Directors on 8 November 2018, the Board of Directors appointed a new Chairman on the same date and, in continuity with the remuneration policy adopted by the Company with the support of the Remuneration and Appointments Committee, having obtained

the opinion of the Board of Auditors, resolved to pay the Chairman of the Board of Directors so appointed, pursuant to Article 2389, third paragraph, of the Italian Civil Code, the same amount attributed to the previous chairman of the board of directors following the resolution of 11 October 2017;

○ **for the Chief Executive Officer:**

- a fixed salary component consisting of:
  - gross annual remuneration of €30,000 approved pursuant to Article 2389, first paragraph, of the Italian Civil Code by the Ordinary Shareholders' Meeting of 28 April 2017 for the position of director; and
  - gross annual remuneration of €410,000 approved pursuant to Article 2389, third paragraph, of the Italian Civil Code by the Board of Directors on 9 August 2017, acting on a proposal of the Committee and having obtained the favourable opinion of the Board of Auditors, for the position of Chief Executive Officer;
- a short-term variable component (STI) consisting of an incentive scheme based on the achievement of the performance targets assigned annually;
- a long-term variable component (LTI) intended to ensure alignment between the creation of shareholder value and management interests, with the assignment of targets related to share performance, company profitability and financial metrics. For 2019, the Chief Executive Officer is the beneficiary of the Performance Share Plan, under which a maximum number of shares will be granted on the basis of the performance achieved, with a three-year vesting period.

○ **for key management personnel**

- a fixed salary component consisting of the fixed gross annual remuneration provided for in each individual contract, in compliance with the provisions of applicable collective bargaining rules;
- a short-term variable component (STI) consisting of an incentive scheme based on the achievement of the performance targets assigned annually;
- a long-term variable component (LTI) intended to ensure alignment between the creation of shareholder value and management interests, with the assignment of targets related to share performance, company profitability and financial metrics. For 2019 these employees

are the beneficiaries of the Performance Share Plan, under which a maximum number of shares will be granted on the basis of the performance achieved, with a three-year vesting period.

○ for **non-executive directors**

- a fixed salary component, consisting of the remuneration approved by the Ordinary Shareholders' Meeting of 28 April 2017, at the time of appointment as a member of the Board of Directors, equal to gross annual remuneration of €30,000, and of the remuneration (i) approved by the Board of Directors on 11 October 2017 for participation on the Control and Risks and Related Parties Committee and the Remuneration and Appointments Committee and (ii) approved by the Board of Directors on 24 October 2018 for participation on the Sustainability Committee.

#### **4. Policy on non-monetary benefits**

The Chief Executive Officer and the other key management personnel are also provided with: (i) a company car for business and personal use, along with a fuel card; (ii) insurance policies to cover risks of death and permanent disability resulting from an accident, work-related illness and other causes; (iii) a supplementary defined-contribution pension plan; and (iv) health insurance coverage.

#### **5. Components of variable remuneration and a description of the performance targets for which that remuneration is awarded, distinguishing between short-term and medium/long-term variable components, and information on the link between the variation in performance and the variation in remuneration**

##### **1) Short-term incentives - STI**

The short-term incentive plan applies to the Chief Executive Officer, key management personnel and the rest of company management. It is designed to enable the monitoring and measurement of the performance of ENAV and the beneficiaries, guiding the actions of management towards strategic objectives consistent with our business priorities.

The Board of Directors, acting on a proposal of the Committee, sets the short-term objectives of the Chief Executive Officer, focusing on the measurement of the Group's financial and operational performance.

For 2019, on 26 February 2019 the Board of Directors set the following objectives:

- Group EBITDA: weight of 40%
- Group net income: weight of 20%
- Operating performance measured in terms of delays: weight of 20% (of which 75% for en-route traffic and 25% for terminal traffic)
- Turnover from non-regulated activities: weight of 10%;
- Sustainability assessment: weight of 10%.

These objectives are independent of each other and the associated incentive is calculated individually.

In addition, the measurement of the sustainability objective has been defined on an on/off basis.

With regard to the incentive scheme for the Chief Executive Officer, a performance scale has been defined which envisages a minimum level (access threshold) below which no incentive is paid, a target value and a maximum value with linear interpolation, in accordance with market practice. Based on this, the incentive levels are set as follows:

- an incentive equal to 50% of total fixed remuneration, to be paid upon achievement of the target performance levels;
- an incentive equal to 75% of total fixed remuneration (maximum incentive in the case of over-performance) to be paid for over-performance of at least 10% over the target performance levels;
- an incentive equal to 25% of total fixed remuneration (minimum incentive in the case of under-performance), to be paid for under-performance of no more than 5% below the target performance levels.

These guidelines therefore define both an access threshold, as no incentive is due if the under-performance is worse than -5% below the target, and a maximum incentive value. The payment of the short-term incentive is subject to verification that the performance targets have been achieved.

With a resolution passed on 26 February 2019 the Board of Directors, acting on a proposal of the Committee, recommended that the Chief Executive Officer take account of the following guidelines

for the short-term remuneration of key management personnel, guidelines that are felt to be appropriate and generally consistent with the Company's remuneration policy.

With regard to Company performance objectives and related weightings, in line with the provisions relating to the Chief Executive Officer, the assignment of the following objectives has been proposed:

- Group EBITDA: weight of 50%
- Group Net Income: weight of 20%
- Operating performance measured in terms of delays: weight of 20% (of which 75% for en-route traffic and 25% for terminal traffic)
- Turnover from non-regulated activities: weight of 10%.

The above objectives are independent of each other and the associated bonus is calculated individually by linear interpolation in line with the performance criteria indicated for the Chief Executive Officer.

The incentive paid to key management personnel is as follows:

- an incentive equal to 30% of total fixed remuneration, to be paid upon achievement of the target performance levels;
- an incentive equal to 40% of total fixed remuneration (maximum incentive in the case of over-performance) to be paid for over-performance of at least 10% over the target performance levels;
- an incentive equal to 15% of total fixed remuneration (minimum incentive in the case of under-performance) to be paid for under-performance of no more than 5% below the target performance levels.

No incentive is due if the under-performance is worse than 5% (threshold) below the target.

Key management personnel, like the rest of the Company's employees, may be set other individual objectives by the Chief Executive Officer, in relation to the management position held within the organisation.

### Performance curve for the short-term incentive of the CEO



### Comparison of the 2018 and 2019 objectives of the CEO

2018		2019	
Group EBITDA	50%	Group EBITDA	40%
Group net profit	20%	Group net profit	20%
Operating performance	20%	Operating performance	20%
Turnover from non-regulated activities	10%	Turnover from non-regulated activities	10%
		Sustainability assessment	10%

## 2) Long-term variable component - LTI

With regard to the long-term variable component of remuneration, based on the LTI Plan, the following policy was approved for the Chief Executive Officer for the 2017-2019 period:

- an incentive equal to 80% of total fixed remuneration, to be paid upon achievement of the

target performance levels;

- an incentive equal to 120% of total fixed remuneration (maximum incentive in the case of over-performance) to be paid for over-performance of at least 15% over the target performance levels;
- an incentive equal to 40% of the total fixed remuneration (minimum incentive in the case of under-performance), to be paid for under-performance of no more than 5% below the target performance levels;
- no incentive is due if the under-performance is worse than 5% (threshold) below the target.

The following policy has been approved for key management personnel:

- an incentive equal to 40% of fixed remuneration, to be paid upon achievement of the target performance levels;
- an incentive equal to 60% of fixed remuneration (maximum incentive in the case of over-performance) to be paid for over-performance of at least 15% over the target performance levels;
- an incentive equal to 20% of fixed remuneration (minimum incentive in the case of under-performance), to be paid for under-performance of no more than 5% below the target levels;
- no incentive is due if the under-performance is worse than 5% (threshold) below the target.

For the other managers designated by the Chief Executive Officer as beneficiaries of LTI Plan, the following policy has been approved:

- an incentive equal to 30% of fixed remuneration, to be paid upon achievement of the target performance levels;
- an incentive equal to 45% of fixed remuneration (maximum incentive in the case of over-performance) to be paid for over-performance of at least 15% over the target performance levels;
- an incentive equal to 15% of the fixed remuneration (minimum incentive in the case of under-performance), to be paid for under-performance of no more than 5% below the target levels;
- no incentive is due if the under-performance is worse than 5% (threshold) below the target.

The following table provides an overview of the details for measurement of the performance objectives:



Objective	% weight	Measurement method	Incentives			
			Threshold	Minimum	Target	Maximum
Relative TSR	40%	Position on ENAV TSR with respect to TSR of peer group	ENAV TSR > 0	1st quartile < TSR ENAV < Median	Median ≤ TSR ENAV < 3rd quartile	TSR ENAV > 3rd quartile
Cumulative EBIT	30%	Divergence between: sum of EBIT achieved in the three years (for each grant) and target set in Business Plan for the same period	perf. ≥ target -5%	target -5% ≤ perf. < target	perf. = target	target < perf. ≤ target +15%
Cumulative FCF	30%	Divergence between: sum of FCF achieved in the three years (for each grant) and target set in Business Plan for the same period	perf. ≥ target -5%	target -5% ≤ perf. < target	perf. = target	target < perf. ≤ target +15%

Following the measurement of actual performance compared with the targets, the resulting incentive is calculated using linear interpolation and the number of shares to be granted is determined accordingly.

## 6. Criteria used to evaluate the performance objectives underlying the grant of shares, options, other financial instruments or other variable components of remuneration and information highlighting the consistency of the Remuneration Policy with the pursuit of the Company's long-term interests and its risk management policy

The objectives and the target values are generally determined in the light of the specific business in which ENAV operates and are consistent with the risk management policy adopted by the Company, as they must take account of the risks the Company assumes and the capital and liquidity requirements of the business.

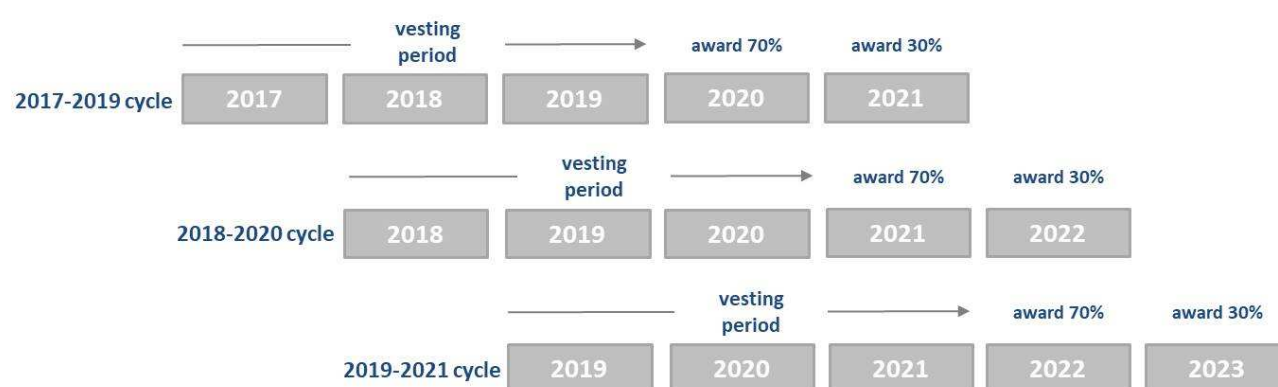
For the short-term incentive plan, the definition of the objectives is linked to the achievement of financial performance targets as defined in the annual budget, operational targets linked to performance as measured in terms of delays in the management of air traffic flows and a specific sustainability target to identify the Group's areas of improvement. The comparison of actual results with the assigned targets determines the magnitude of the variable remuneration that will be paid out.

With regard to the long-term variable component, the definition of targets seeks to align the creation of value for shareholders and management over the medium-long term, and is therefore linked to the achievement of certain financial performance targets defined in the business plan, as well as

certain targets relating to the relative performance of the stock price and the return to shareholders in the medium-long term, as measured by the total shareholder return relative to the peer group.

## 7. Vesting period, deferred payment and ex-post correction mechanisms

With regard to the vesting period and deferral periods, in addition to the disclosures in section 3 above, the Remuneration Policy provides for a three-year vesting period for each grant cycle of the Performance Share Plan, as indicated in the following figure.



The vesting period and the deferral periods are set so as to align the interests of management with the creation of value for shareholders over the medium-long term, taking account of the specific activity carried out by the Company, which is mainly based on multi-year regulatory plans and agreements, including, in particular, the *'Contratto di Programma'*, or Programme Agreement, between ENAV and the Ministry of Infrastructure and Transport, in agreement with the Ministry for the Economy and Finance, with the Ministry of Defence and the Italian Civil Aviation Authority (ENAC), pursuant to Article 9 of Law 665 of 21 December 1995, as well as the five-year performance plans envisaged in European legislation. With regard to the variable components of remuneration paid to the Chief Executive Officer and to key management personnel, the Remuneration Policy envisages a claw-back clause covering both negligence and loss and material error for a period of 36 months after the approval of the financial statements containing the irregularities that triggered the clause. This provision is also in line with the recommendations of the Corporate Governance Committee.

The figure below presents a summary of the mechanisms the Company has established to limit the assumption of risk by management:

- 1 Diversified performance objectives
- 2 Claw-back mechanism in LTI Plan
- 3 Performance scale with linear interpolation for each objective and specific access threshold for individual objectives
- 4 Specification of maximum variable incentive payable
- 5 Deferred payment of part of variable remuneration (lock-up)

## **8. Severance arrangements in the event of termination of office or employment or non-renewal of employment relationship**

The Remuneration Policy establishes the severance arrangements for the Chief Executive Officer in the event of early termination of office, in line with best market practice.

In particular, in accordance with the recommendations of the Corporate Governance Code, the amount due to the Chief Executive Officer as severance pay is equal to two years of fixed remuneration pursuant to Article 2389, first and third paragraphs, of the Italian Civil Code, plus a pro-rated share of the long-term variable incentive already vested at the time of termination. The incentive is only paid for the years in which the performance target was achieved, and its amount is determined by the Board of Directors subject to the assessment of the actual performance achieved and recalculated only for the years considered. With regard to the short-term incentive, the Board of Directors shall, on a case-by-case basis, determine the amounts that may have vested and whether the required conditions for the associated payment have been met, taking due account of the period of the year in which the termination occurs and other contingent circumstances.

No specific indemnity is envisaged for key management personnel in the event of termination of the employment relationship with the Company, without prejudice to the payment of the indemnity in lieu of notice, which is due where the employer does not comply with the contractually specified notice period (from 8 to 12 months, depending on length of service), and the payment of a further indemnity (the so-called supplementary indemnity) in the event of dismissal without cause, as governed by the national collective bargaining agreement for the management personnel of ENAV,

plus a pro-rated share of the long-term variable incentive vested at the time of termination. In case of good-leaver termination of employment, a pro-rated share of the long-term variable incentive already vested *ratione temporis* is also payable to key management personnel, in an analogous manner to the policy adopted for the Chief Executive Officer.

Following the agreement for the consensual termination of the employment relationship with the interim General Manager and with the interim Chief Human Resources Officer, the remuneration envisaged by the Remuneration Policy was paid, as detailed in the second section below.

#### **9. Insurance policies and social security or pension schemes other than mandatory programmes**

The Company takes out directors and officers insurance to protect against losses of directors, managers and members of the Board of Auditors resulting from legal action against them in criminal, regulatory and civil matters.

As indicated in section 4 above, the Remuneration Policy provides for insurance policies to cover the risks of death and permanent disability from accidents, work-related illness, death and total permanent disability due to natural causes, and defined-contribution health and social security coverage for the Chief Executive Officer and other key management personnel.

#### **10. Remuneration policy with regard to: (i) independent directors, (ii) participation on committees and (iii) the performance of special duties**

In line with the recommendations of the Corporate Governance Code, the remuneration of non-executive directors is not linked to the performance of the Company or the Group.

The Shareholders' Meeting of 28 April 2017 approved a gross annual salary of €30,000 for each director, other than the Chairman.

At the date of this Report, apart from the Chief Executive Officer, there are no other executive directors (i.e., directors with management duties within the meaning of Application Criterion 2.C.1 of the Corporate Governance Code).

By virtue of the above, all of the Company's independent directors are non-executive.

The remuneration policy adopted by the Company for these directors is therefore the same as that for non-executive directors.

The Remuneration Policy provides for directors who participate on internal Board committees to receive, for their participation in each committee, additional remuneration determined by the Board of Directors on the basis of a proposal of the Remuneration and Appointments Committee.

More specifically, that remuneration is as follows:

- (i) for participation on the Remuneration and Appointments Committee, as resolved by the Board of Directors on 11 October 2017, annual gross compensation of €25,000 for the Chairman and €20,000 for the other members;
- (ii) for participation on the Control and Risks and Related Parties Committee, as resolved by the Board of Directors on 11 October 2017, annual gross compensation of €30,000 for the Chairman and €25,000 for the other members;
- (iii) for participation on the Sustainability Committee, as resolved by the Board of Directors on 24 October 2018, annual gross compensation of €15,000 for the Chairman and €10,000 for the other members.

The Chairman of the Board of Directors, not holding management powers, qualifies as a non-executive director of the Company and receives a fixed remuneration, consisting of:

- €50,000 gross per annum, as approved, pursuant to Article 2389, first paragraph, of the Italian Civil Code, by the Shareholders' Meeting of 28 April 2017;
- €100,000 gross per annum, as approved pursuant to Article 2389, third paragraph, of the Italian Civil Code, by the Board of Directors on 11 October 2017 acting on a proposal of the Remuneration and Appointments Committee and having obtained the favourable opinion of the Board of Auditors. Following the resignation of the interim Chairman of the Board of Directors on 8 November 2018, on the same date the Board of Directors appointed a new Chairman and conferred upon him the same powers as those of the interim chairman and, in continuity with the remuneration policy adopted by the Company with the support of the Remuneration and Appointments Committee, having obtained the opinion of the Board of Auditors, resolved to pay the Chairman of the Board of Directors so appointed, pursuant to Article 2389, third paragraph, of the Italian Civil Code, the same amount attributed to the previous chairman of the board of directors following the resolution of 11 October 2017.

## **11. The possible use of the remuneration policies of other companies as a benchmark**

The Remuneration Policy was prepared by the Company with the support of the consultant MERCER, using the remuneration policies adopted by a panel of peer companies comparable to ENAV as a benchmark.

## **SECTION II: REMUNERATION RECEIVED IN 2018 BY THE MEMBERS OF THE BOARD OF DIRECTORS AND THE BOARD OF AUDITORS, THE GENERAL MANAGER AND THE OTHER MANAGERS WITH STRATEGIC RESPONSIBILITIES**

This section of the Report discusses the remuneration received by the persons who, during all or part of 2018, held a position as member of the Board of Directors, member of the Board of Auditors, Director General or key manager.

\* \* \* \* \*

### ***PART ONE – COMPONENTS OF REMUNERATION***

This part of Section II discusses each of the items that make up the remuneration of the persons who held a position as member of the Board of Directors, member of the Board of Auditors, Director General or key manager.

These items are reported in the tables in Part Two of this Section.

#### **1.1 Board of Directors**

##### **1.1.1 Chief Executive Officer**

In 2018, the position of Chief Executive Officer was held by Roberta Neri, appointed member of the Board of Directors by the Shareholders' Meeting of 28 April 2017 and Chief Executive Officer of the Company by the Board of Directors on 4 May 2017.

Below is a description of each of the items comprised in the remuneration of Ms. Neri for the financial year 2018.

##### **▪ Fixed component**

The fixed component breaks down as follows:

- an annual gross remuneration of €30,000, approved pursuant to Article 2389, first paragraph, of the Italian Civil Code for the office of member of the Board of Directors by the Shareholders' Meeting of 28 April 2017;
- an annual gross remuneration of €410,000, approved pursuant to Article 2389, third paragraph, of the Italian Civil Code, for the position of Chief Executive Officer by the Board of

Directors on 9 August 2017, acting on a proposal of the Committee and having obtained the opinion of the Board of Auditors.

The amounts paid during 2018 are shown in table 1.

▪ **Short-term variable component - STI**

A significant part of Ms. Neri's remuneration has been linked to achieving specific Company performance targets relating to: Group EBITDA (50%), net profit (20%), operating performance measured in terms of delays (20%) and turnover from non-regulated activities (10%). In 2018, Ms. Neri was the beneficiary of an incentive scheme providing for a bonus equal to 50% of the total fixed remuneration for achievement of the target performance, with a maximum bonus of 75% of total fixed remuneration for over-performance with respect to the target and a minimum bonus of 25% of total fixed remuneration for under-performance with respect to the target.

On 11 March 2019 the Board of Directors, acting on a proposal of the Committee, approved the final accounting of the results obtained by the Chief Executive Officer, verifying full achievement of the specified performance targets (EBITDA, net profit, operating performance in terms of delays) and non-achievement of the target for turnover from non-regulated activities.

The incentive, equal to a total gross amount of € 297.000, will be paid in 2019, after approval of the financial statements for the 2018 financial year by the Shareholders' Meeting.

▪ **Long-term variable component - LTI**

The Chief Executive Officer is the beneficiary of a long-term incentive plan under the provisions of the LTI Performance Share Plan and the related Implementing Rules, which provide for a pay opportunity structured as discussed in sub-section 5 of Section I of this Report.

The first cycle of the LTI Plan for the 2017-2019 period was approved by the Board of Directors on 11 December 2017. The award of the shares for the first grant cycle will take place at the end of the associated vesting period upon approval of the financial statements for 2019 on the basis of the final accounting by the Board of Directors, with the Chief Executive Officer entitled to the award of 79,444 shares if targets are achieved, 119,166 shares in the case of over-performance or 39,722 shares in the case of under-performance.

On 13 November 2018, the Board of Directors, acting on a proposal of the Remuneration and Appointments Committee, approved the start of the second cycle (2018-2020) of the LTI Plan.



The award of the shares for the second grant cycle will take place at the end of the associated vesting period upon approval of the financial statements for 2020, and will give entitlement to an award of 88,433 shares if all targets are achieved, 132,650 shares in the case of over-performance or 44,217 shares in case under-performance.

▪ **Non-monetary benefits:** the Chief Executive Officer also received certain non-monetary benefits, including the use of a company car for business and personal use, along with a fuel card, and a supplementary defined-contribution pension plan.

The remuneration established for the Chief Executive Officer for the position of Chairman and member of the Board of Directors of the subsidiary Techno Sky were paid entirely to ENAV.

The Chief Executive Officer is also a member of the Board of Directors of the investee company AIREON LLC, a position for which she does not receive any remuneration.

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

The remuneration of the Chairman of the Board of Directors is not linked to the financial performance of the Company and, therefore, consists solely of fixed remuneration determined in accordance with Article 2389, first paragraph, of the Italian Civil Code by the Ordinary Shareholders' Meeting for the office of Chairman and further fixed remuneration determined by the Board of Directors pursuant to Article 2389, third paragraph, of the Italian Civil Code, acting on a proposal of the Committee and having obtained the favourable opinion of the Board of Auditors, in relation to the additional powers conferred upon the interim Chairman with a resolution of the Board of Directors on 4 May 2017 and then conferred on the Chairman with a resolution of the Board of Directors on 8 November 2018.

During 2018, the office of Chairman of the Board of Directors was first held by Roberto Scaramella, appointed as Chairman of the Board of Directors by the Shareholders' Meeting of 28 April 2017, and, following the resignation of the latter on 8 November 2018 from the positions of director and Chairman of the Board, by Nicola Maione, appointed as Chairman of the Company on the same date. The remuneration paid for the office of Chairman of the Board of Directors in 2018 on a pro-rated basis to (i) Roberto Scaramella for the period from 1 January to 7 November and to (ii) Nicola Maione for the period from 8 November to 31 December, breaks down as follows:

- annual gross remuneration of €50,000, as approved pursuant to Article 2389, first paragraph of the Italian Civil Code by the Shareholders' Meeting of 28 April 2017;

- annual gross compensation of €100,000, as approved pursuant to Article 2389, third paragraph of the Italian Civil Code by the Board of Directors on 11 October 2017, acting on a proposal of the Committee and having obtained the opinion of the Board of Auditors, and then again approved by the Board of Directors on 8 November 2018, in continuity with the Remuneration Policy of the Company, with the support of the Remuneration and Appointments Committee and having obtained the opinion of the Board of Auditors.

Indemnities are not provided for in the event of termination of this office.

The amounts paid during 2018 are shown in table 1.

### **1.1.3 Other members of the Board of Directors**

During 2018, in addition to Roberta Neri and, until 7 November, Roberto Scaramella, as discussed above, the following persons served as directors on the Board of Directors:

- Maria Teresa Di Matteo, Nicola Maione (until 7 November 2018 independent director and, as from 8 November 2018, appointed Chairman of the Board of Directors), Antonio Santi, Mario Vinzia, Carlo Paris, Fabiola Mascardi and Giuseppe Acierno, appointed by the Shareholders' Meeting on 28 April 2017, which also set remuneration for the position of director at an annual gross amount of €30,000.

The remuneration of these members of the Board of Directors, all non-executive, is not linked to the performance of the Company and is thus composed solely of fixed remuneration.

The amounts paid during 2018 are shown in table 1<sup>5</sup>.

### **1.1.4 Members of the Board of Directors' internal committees**

The members of the internal committees of the Board of Directors receive additional fixed remuneration determined by the Board of Directors.

The remuneration of the internal Board committees for 2018 were as follows:

- (i) for the Remuneration and Appointments Committee, as approved by the Board of Directors on 11 October 2017, an annual gross amount of €25,000 for the Chairman and an annual gross amount of €20,000 for the other members;

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<sup>5</sup> It is noted that the remuneration established to Maria Teresa Di Matteo for her office as director of the Company e for participation in a Board Committee are paid entirely by the latter to the public administration Ministry of Infrastructures and Transport.

- (ii) for the Control and Risks and Related Parties Committee, as approved by the Board of Directors on 11 October 2017, an annual gross amount of €30,000 for the Chairman and an annual gross amount of €25, 000 for the other members;
- (iii) for the Sustainability Committee, as approved by the Board of Directors on 24 October 2018, an annual gross amount of €15,000 for the Chairman and an annual gross amount of €10, 000 for the other members.

The amounts paid during 2018 are shown in table 1.

## **1.2 Key management personnel**

As of the date of this report, ENAV has designated the following officers as key management personnel: Chief Financial Officer (formerly Head of Administration, Finance and Control, who is also a director of the subsidiary Techno Sky), Chief Human Resources and Corporate Services Officer (formerly Human Resources Director), Chief Operating Officer and Chief Technology Officer.

Until 31 July 2018, Massimo Bellizzi held the position of General Manager, designated by ENAV as key management personnel - together with the Director of Administration, Finance and Control and the Director of Human Resources - with a resolution of the Board of Directors of 17 September 2017.

Following the departure of the interim General Manager with effect from 31 July 2018, the Board of Directors approved on the same date the adoption of a new organisational macrostructure that does not include the position of General Manager. Consequently, by resolution of the Board of Directors of 20 September 2018, the positions of Chief Operating Officer and Chief Technology Officer were designated as key management personnel in addition to those already identified as such with the resolution of 17 September 2017.

In addition, during the year the Company ended the employment relationship with the interim Director of Human Resources, whose role is now performed by the Chief Human Resources and Corporate Services Officer.

The Board of Directors, acting on a proposal of the Remuneration and Appointments Committee, set out the guidelines for the remuneration policy for key management personnel. The compensation package for those managers is described below:

### 1.2.1 Interim General Manager

Until 31 July 2018 Massimo Bellizzi held the position of General Manager, a position that no longer exists in the Company's new organisational structure, as well as Chief Executive Officer of the subsidiary Techno Sky S.r.l.

Under the provisions of the Company's Remuneration Policy, the pro-rated remuneration of the former General Manager in 2018 was made up of the following components:

- **Fixed component:** consisting of the gross annual remuneration provided for in the individual contract signed by the former General Manager, in compliance with the applicable collective bargaining rules, in the total amount of €340,352 gross per year.
- **Short-term variable component:** a significant portion of the former General Manager's remuneration was linked to the achievement of specific corporate performance targets, as well as individual objectives connected with the position and attributed directly by the Chief Executive Officer.

In 2018, Massimo Bellizzi was the beneficiary of an incentive scheme providing for a bonus of 30% of total fixed remuneration in the event the plan target was achieved, a maximum bonus of 40% of fixed remuneration in the case of over-performance and a minimum bonus of 15% of fixed remuneration in the case of under-performance. Nevertheless, Mr. Bellizzi waived this component of remuneration for 2018 as part of his consensual termination agreement.

- **Long-term variable component:** the former General Manager was also the beneficiary of a long-term incentive plan (LTI plan), with a pay opportunity structured as discussed in sub-section 5 of Section I of this Report.

The first cycle of the LTI Plan for the 2017-2019 period was approved by the Board of Directors on 11 December 2017.

The award of the shares for the first grant cycle will take place at the end of the associated vesting period upon approval of the financial statements for 2019 on the basis of the final accounting by the Board of Directors, with the interim General Manager entitled to the award of 16,052 shares if all targets are achieved, 24,078 shares in the case of over-performance or 8,026 shares in the case of under-performance.

- **Non-monetary benefits:** the use of a company car for personal and business use, along with a fuel card; insurance policies to cover risks of death and permanent disability resulting from an

accident, work-related illness and other causes; health insurance coverage and annual check-up; and a supplementary defined-contribution pension plan.

### 1.2.2 Other key management personnel

The fixed remuneration and the variable components of the remuneration of the other key managers are directly related to the position held by such managers for all or part of 2018.

Accordingly, in addition to the interim General Manager, the following held a key management position for some fraction of the year: the Chief Financial Officer, until 31 May 2018 the interim Director of Human Resources and from 4 June 2018 the Chief Human Resources and Corporate Services Officer, from 20 September 2018 the Chief Operating Officer and the Chief Technology Officer.

For more on the agreements concerning the termination of the employment of the former General Manager and the interim Human Resources Director, please see subparagraph 3 of this section.

The following provides an aggregate description of the items of remuneration of these key managers in 2018:

- **Fixed component:** consisting of the gross annual remuneration envisaged in the individual contracts signed by the managers, in compliance with the applicable collective bargaining rules, in the total annual amount of €1,205,706.
- **Short-term variable component:** a significant portion of key managers' remuneration was linked to the achievement of specific corporate performance targets, as well as individual objectives connected with the position and attributed directly by the Chief Executive Officer.

In 2018, the managers, with the exception of the Human Resources Director, who waived entitlement to this component of remuneration in settlement negotiations, were the beneficiaries of an incentive scheme providing for a bonus of 30% of total fixed remuneration in the event the corporate performance target and the individual performance targets were achieved, a maximum bonus of 40% of fixed remuneration in the case of over-performance and a minimum bonus of 15% of fixed remuneration in the case of under-performance.

The actual incentive vested, with the exception of the former Human Resources Director, equal to a total of € 333.127, will be paid in 2019, in line with the final accounting of the corporate performance targets set for the Chief Executive Officer and, therefore, the individual targets set

for the key managers, subject to approval of the financial statements for 2018 by the Shareholders' Meeting.

- **Long-term variable component:** The above managers were also the beneficiaries of a long-term incentive plan (LTI Plan), with a pay opportunity structured as discussed in sub-section 5 of Section I of this report.

The first cycle of the LTI Plan for the 2017-2019 period was approved by the Board of Directors on 11 December 2017.

The award of the shares for the first grant cycle will take place at the end of the associated vesting period upon approval of the financial statements for 2019 on the basis of the final accounting by the Board of Directors, with the key management personnel entitled to the overall award of 31,361 shares if all performance targets are achieved, 47,042 shares in the case of over-performance or 15,681 shares in the case of under-performance.

The start of the second cycle of the LTI Plan for 2018-2020 was approved on 24 October 2018 by the Board of Directors acting on a proposal of the Remuneration and Appointments Committee.

The award of the shares for the second grant cycle will take place at the end of the associated vesting period upon approval of the financial statements for 2020, with the key management personnel entitled to the overall award of 92,991 shares if the performance targets are achieved, 139,486 shares in the case of over-performance or 46,495 shares in the case of under-performance.

- **Non-monetary benefits:** the use of a company car for personal and business use, along with a fuel card; insurance policies to cover risks of death and permanent disability resulting from an accident, work-related illness and other causes; health insurance coverage and annual check-up; and a supplementary defined-contribution pension plan.

The amounts effectively paid to key management personnel in 2018 are shown in table 1.

The Chief Financial Officer also holds the position of director on the board of the subsidiary Techno Sky. The remuneration for that position was paid entirely to ENAV, the parent company.

### 1.3 Board of Auditors

In 2018, the Board of Auditors was composed of the following standing auditors:

- Franca Brusco, with the role of Chairman, whose remuneration was approved by the Shareholders' Meeting of 29 April 2016 in the gross annual amount of €27,000 and then revised by the Shareholders' Meeting of 28 April 2017 to the gross annual amount of €40,000;
- Donato Pellegrino, standing auditor, whose remuneration was approved by the Shareholders' Meeting of 29 April 2016 in the gross annual amount of €18,000 and then revised by the Shareholders' Meeting of 28 April 2017 to the gross annual amount of €25,000;
- Mattia Berti, standing auditor, whose remuneration was determined by the Shareholders' Meeting of 29 April 2016 in the gross annual amount of €18,000 and then revised by the Shareholders' Meeting of 28 April 2017 to the gross annual amount of €25,000.

The amounts paid in 2018 are shown in table 1.

#### **1.4 Other management**

In 2018, 5 additional managers of the Group were identified by the Chief Executive Officer to become beneficiaries of the second cycle of the LTI Plan, in line with the provisions of the Performance Share Plan and the Implementing Rules.

The start of the second cycle of the LTI Plan for 2018-2020 was approved on 24 October 2018 by the Board of Directors acting on a proposal of the Remuneration and Appointments Committee.

The award of the shares for the second grant cycle will take place, as noted earlier, at the end of the associated vesting period upon approval of the financial statements for 2020 on the basis of the final accounting by the Board of Directors acting on a proposal of the Remuneration and Appointments Committee, with the managers entitled to the overall award of 61,010 shares if all targets are achieved, 91,515 shares in the case of over-performance or 30,505 shares in the case of under-performance.

## **2. Agreements providing for indemnities in the event of early termination of the employment relationship and effects of termination of the relationship on the rights granted as part of incentive plans**

With regard to the Chief Executive Officer, on 11 December 2017 the Board of Directors decided that provision for a non-compete agreement was unnecessary under current market conditions and that, in the event of early termination of the position, the Chief Executive Officer should receive two years of fixed remuneration pursuant to Article 2389, first and third paragraphs of the Italian Civil Code, in

addition to a pro-rated share of the long-term variable incentive already vested at the time of termination. The pro-rated share of the long-term incentive is subject to the lock-up and claw-back provisions in the Implementing Rules of the LTI Plan.

No specific indemnity is envisaged for key management personnel (including the interim General Manager) in the event of termination of the employment relationship with the Company, without prejudice to the payment of the indemnity in lieu of notice, which is due where the employer does not comply with the contractually specified notice period (from 8 to 12 months, depending on length of service), and the payment of a further indemnity (the so-called supplementary indemnity) in the event of dismissal without cause, as governed by the national collective bargaining agreement for the management personnel of ENAV,

In the event of early termination of the employment relationship of the beneficiaries, including key management personnel (including the General Manager on a pro-rated basis) and other Group managers participating in the incentive plan, the LTI Plan Implementing Rules provides for payment of a share of the long-term variable incentive already vested at the time of termination. This pro-rated share of the long-term incentive is subject to the lock-up and claw-back provisions in the Implementing Rules.

Without prejudice to the above, there are no existing agreements which provide for the award or maintenance of non-monetary benefits for persons who have left office or for the award of consulting contracts for a period following termination of the employment relationship.

### **3. Termination of the employment relationship with the interim General Manager Massimo Bellizzi**

The consensual agreement to terminate the employment relationship between the Company and its subsidiaries and Massimo Bellizzi provided for the payment of the gross amount of €690 thousand for the consensual termination of his management position with ENAV and his resignation of all other positions held within the Group – inter alia director and Chief Executive Officer of Techno Sky – in order to remove any legal or contractual obstacle to the power of the employer to terminate those relationships, as well as payment for a non-compete agreement. In addition, it was agreed that the gross sum of €20 thousand would also be paid as a general settlement. The waivers contained in the agreement signed by Massimo Bellizzi do not include: (i) termination and severance indemnities provided for by law; (ii) any pro-rated award of the long-term incentive, which falls within the powers of the Board of Directors, being subject to the provisions of the “Rules of the Performance Share Plan



of ENAV SpA and its subsidiaries” of 11 December 2017; and (iii) the guarantees and protections envisaged under Article 16 (“Civil, criminal and administrative liability connected with service and legal assistance”) of the current national collective bargaining agreement.

The non-compete agreement has a duration of twenty-four months from the date of termination of employment and is valid throughout Italy and Europe.

The Board of Directors determined, with the support of the Remuneration and Appointments Committee, that the agreements, in addition to safeguarding ENAV’s interests, were in line with applicable legal and contractual provisions and consistent with the Remuneration Policy adopted by ENAV and discussed in the Remuneration Report prepared pursuant to Article 123-ter of the Consolidated Law on Financial Intermediation, approved by the Board of Directors on 12 March 2018 and approved by advisory vote of the Shareholders’ Meeting of 27 April 2018.<sup>6</sup>

The remuneration paid to Massimo Bellizzi for the positions of director and Chief Executive Officer of the subsidiary Techno Sky held until 31 July 2018 were paid entirely to ENAV.

The amounts effectively paid to the former General Manager in 2018 are reported in table 1.

### **3.1 Termination of the employment relationship with the interim Human Resources Director**

On 31 May 2018, the Company terminated the employment relationship with the interim Director of Human Resources. Under the agreement, the Company - in line with the Remuneration Policy adopted by the Company in the case of the termination of the employment of a manager – paid that officer €461,437 as an indemnity in lieu of notice. In addition, the sum of €10 thousand was also paid in general settlement. The agreement does not affect: (i) termination and severance indemnities provided for by law; and (ii) any pro-rated award of the long-term incentive, which falls within the powers of the Board of Directors, being subject to the provisions of the “Rules of the Performance Share Plan of ENAV SpA and its subsidiaries” of 11 December 2017.

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<sup>6</sup> In compliance with the provisions of Consob Regulation adopted with Resolution no. 17221/2010 concerning transactions with related parties, that transaction - given the occurrence of the requirements set out in Article 13, paragraph 3.b) of the above Regulation - is exempt from the application of the procedural rules set out in Article 10.2.b) of the Procedure for Transactions with Related Parties approved by the Board of Directors. Due to the relative significance and the related resolutions concerning the Company macro-structure, the transaction was also submitted for assessment of the Control and Risks and Related Parties Committee, which issued a favourable opinion.

\* \* \* \* \*

## **PART TWO - TABLES**

The following tables provide an analytical overview of remuneration for the members of the Board of Directors and the Board of Auditors and – on a pro-rated basis for the year - the former General Manager and other key management personnel which was paid or is to be paid by the Company and its subsidiaries and associates for 2018.

Rome, 11 March 2019

For the Board of Directors

The Chairman

Nicola Maione

**Table 1: Remuneration paid to the members of the Board of Directors and of the Board of Auditors, as well as the General Manager and other key management personnel for 2018**

Name	Office	Period in office	In office until	Fixed remuneration	Remuneration for participation on committees	Non-equity variable remuneration		Non-monetary benefits	Other remuneration	Total	Fair value of equity remuneration	Termination indemnities
						Bonuses and other	Profit sharing					
<b>Roberto Scaramella</b>	Chairman BoD	01/01/2018 - 08/11/2018	Shareholders' Meeting approving 2019 financial statements									
(I) Remuneration from reporting entity				€ 42.639 (1a)						€ 42.639		
				€ 85.278 (2a)						€ 85.278		
(II) Remuneration from subsidiaries and associates										€ -		
(III) Total				€ 127.917	€ -	€ -	€ -	€ -	€ -	€ 127.917	€ -	€ -
<b>Nicola Maione</b>	Chairman BoD	8/11/2018 - 31/12/2018	Shareholders' Meeting approving 2019 financial statements									
				€ 7.361 (1b)						€ 7.361		
				€ 14.722 (2b)						€ 14.722		
(II) Remuneration from subsidiaries and associates										€ -		
(III) Total				€ 22.083	€ -	€ -	€ -	€ -	€ -	€ 22.083	€ -	€ -
<b>Roberta Neri</b>	Chief Executive Officer	01/01/2018 - 31/12/2018	Shareholders' Meeting approving 2019 financial statements									
(I) Remuneration from reporting entity				€ 30.000 (3a)		€ 297.000 (10)		€ 47.652 (12)		€ 374.652	€ 109.778 (14a)	
				€ 410.000 (2c)						€ 410.000	€ 105.472 (14b)	
(II) Remuneration from subsidiaries and associates				€ 20.000 (8a)						€ 20.000		
				€ 36.000 (8b)						€ 36.000		
(III) Total				€ 496.000	€ -	€ 297.000	€ -	€ 47.652	€ -	€ 840.652	€ 215.250	€ -
<b>Maria Teresa Di Matteo</b>	Director, Member of RAC	01/01/2018 - 31/12/2018	Shareholders' Meeting approving 2019 financial statements									
(I) Remuneration from reporting entity				€ 30.000 (3a-bis)	€ 20.000 (4a-bis)					€ 50.000		
(II) Remuneration from subsidiaries and associates										€ -		
(III) Total				€ 30.000	€ 20.000	€ -	€ -	€ -	€ -	€ 50.000	€ -	€ -
<b>Nicola Maione</b>	Director, Chairman of CRRPC	01/01/2018 - 07/11/2018	Shareholders' Meeting approving 2019 financial statements									
(I) Remuneration from reporting entity				€ 25.583 (3b)						€ 25.583		
					€ 26.000 (5d)					€ 26.000		
(II) Remuneration from subsidiaries and associates										€ -		
(III) Total				€ 25.583	€ 26.000	€ -	€ -	€ -	€ -	€ 51.583	€ -	€ -
<b>Mario Vinzia</b>	Director, Member of CRRPC	01/01/2018 - 31/12/2018	Shareholders' Meeting approving 2019 financial statements									
(I) Remuneration from reporting entity				€ 30.000 (3a)	€ 25.000 (5a)					€ 55.000		
(II) Remuneration from subsidiaries and associates										€ -		
(III) Total				€ 30.000	€ 25.000	€ -	€ -	€ -	€ -	€ 55.000	€ -	€ -

Name	Office	Period in office	In office until	Fixed remuneration	Remuneration for participation on committees	Non-equity variable remuneration		Non-monetary benefits	Other remuneration	Total	Fair value of equity remuneration	Termination indemnities
						Bonuses and other	Profit sharing					
<b>Giuseppe Acierno</b>	Director, Chairman of Sustainability Committee, Member of RAC	01/01/2018 - 31/12/2018	Shareholders' Meeting approving 2019 financial statements									
(I) Remuneration from reporting entity				€ 30.000 (3a)	€ 6.208 (6d)					€ 36.208		
(II) Remuneration from subsidiaries and associates					€ 20.000 (4a)					€ 20.000		
(III) Total				€ 30.000	€ 26.208	€ -	€ -	€ -	€ -	€ 56.208	€ -	€ -
<b>Fabiola Mascardi</b>	Director, Member of RAC, Member of CRRPC, Member of Sustainability Committee	01/01/2018 - 31/12/2018	Shareholders' Meeting approving 2019 financial statements									
(I) Remuneration from reporting entity				€ 30.000 (3a)	€ 17.333 (4b)					€ 47.333		
					3.333 (5b)					€ 3.333		
					€ 4.139 (6a)					€ 4.139		
(II) Remuneration from subsidiaries and associates										€ -		
(III) Total				€ 30.000	€ 24.806	€ -	€ -	€ -	€ -	€ 54.806	€ -	€ -
<b>Carlo Paris</b>	Director, Chairman RAC, Member of Sustainability Committee	01/01/2018 - 31/12/2018	Shareholders' Meeting approving 2019 financial statements									
(I) Remuneration from reporting entity				€ 30.000 (3a)	€ 25.000 (4c)					€ 55.000		
					€ 1.333 (6c)					€ 1.333		
(II) Remuneration from subsidiaries and associates										€ -		
(III) Total				€ 30.000	€ 26.333	€ -	€ -	€ -	€ -	€ 56.333	€ -	€ -
<b>Antonio Santi</b>	Director, Chairman CRRPC, Member of CRRPC, Member of Sustainability Committee,	01/01/2018 - 31/12/2018	Shareholders' Meeting approving 2019 financial statements									
(I) Remuneration from reporting entity				€ 30.000 (3a)	€ 4.000 (5e)					€ 34.000		
					€ 21.667 (5c)					€ 21.667		
					€ 2.806 (6b)					€ 2.806		
(II) Remuneration from subsidiaries and associates										€ -		
(III) Total				€ 30.000	€ 28.472	€ -	€ -	€ -	€ -	€ 58.472	€ -	€ -
<b>Franca Brusco</b>	Chairman Board of Auditors	01/01/2018 - 31/12/2018	Shareholders' Meeting approving 2018 financial statements									
(I) Remuneration from reporting entity				€ 40.000 (3c)						€ 40.000		
(II) Remuneration from subsidiaries and associates										€ -		
(III) Total				€ 40.000	€ -	€ -	€ -	€ -	€ -	€ 40.000	€ -	€ -
<b>Donato Pellegrino</b>	Standing auditor	01/01/2018 - 31/12/2018	Shareholders' Meeting approving 2018 financial statements									
(I) Remuneration from reporting entity				€ 25.000 (3c)						€ 25.000		
(II) Remuneration from subsidiaries and associates										€ -		
(III) Total				€ 25.000	€ -	€ -	€ -	€ -	€ -	€ 25.000	€ -	€ -

Name	Office	Period in office	In office until	Fixed remuneration	Remuneration for participation on committees	Non-equity variable remuneration		Non-monetary benefits	Other remuneration	Total	Fair value of equity remuneration	Termination indemnities
						Bonuses and other	Profit sharing					
<b>Mattia Berti</b>	Standing auditor	01/01/2018 - 31/12/2018	Shareholders' Meeting approving 2018 financial statements									
(I) Remuneration from reporting entity				€ 25.000	(3c)					€ 25.000		
(II) Remuneration from subsidiaries and associates										€ -		
(III) Total				€ 25.000	€ -	€ -	€ -	€ -	€ -	€ 25.000	€ -	€ -
<b>Massimo Bellizzi</b>	General Manager	01/01/2018 - 31/7/2018										
(I) Remuneration from reporting entity				€ 196.946	(7)	€ -		€ 20.207	(13)	€ -	€ 217.153	€ 22.181 (14c)
(II) Remuneration from subsidiaries and associates				€ 5.750 (9a)						€ 5.750	€ -	€ 710.000,00
(III) Total				€ 69.000 (9b)						€ 69.000	€ -	€ 710.000,00
(III) Total				€ 271.696	€ -	€ -	€ -	€ 20.207	€ -	€ 291.903	€ 22.181	€ 710.000,00
<b>Strategic Managers</b>	HR Director, Chief HRCO, Chief FO, Chief OO, Chief TO	01/01/2018 - 31/12/2018										
(I) Remuneration from reporting entity				€ 942.971	(7)	€ 333.127 (11)		€ 99.163 (13)	€ -	€ 1.375.261	€ 43.336 (14c)	€ 471.437,00
(II) Remuneration from subsidiaries and associates				€ 10.000 (9c)						€ 10.000	€ 110.908 (14b)	
(III) Total				€ 952.971	€ -	€ 333.127	€ -	€ 99.163	€ -	€ 1.385.261	€ 154.244	€ 471.437,00

#### Notes to table 1:

- (1a) Remuneration established by the Shareholders' Meeting pursuant to Art. 2389, par. 1, of the Civil Code paid on pro-rated basis from 1/1/2018 to 7/11/2018
- (1b) Remuneration established by the Shareholders' Meeting pursuant to Art. 2389, par. 1, of the Civil Code paid on pro-rated basis from 8/11/2018 to 31/12/2018
- (2a) Remuneration established by the BoD pursuant to Art. 2389, par. 3, of the Civil Code paid on pro-rated basis from 1/1/2018 to 7/11/2018
- (2b) Remuneration established by the BoD pursuant to Art. 2389, par. 3, of the Civil Code paid on pro-rated basis from 8/11/2018 to 31/12/2018
- (2c) Remuneration established by the BoD pursuant to Art. 2389, par. 3, of the Civil Code paid from 1/1/2018 to 31/12/2018
- (3a) Remuneration established by the Shareholders' Meeting pursuant to Art. 2389, par. 1, of the Civil Code paid from 1/1/2018 to 31/12/2018
- (3a-bis) Remuneration established by the Shareholders' Meeting pursuant to Art. 2389, par. 1, of the Civil Code paid from 1/1/2018 to 31/12/2018, paid entirely to the Ministry of Infrastructure and Transport
- (3b) Remuneration established by the Shareholders' Meeting pursuant to Art. 2389, par. 1, of the Civil Code paid on pro-rated basis from 1/1/2018 to 7/11/2018
- (3c) Remuneration for position on Board of Auditors paid from 1/1/2018 to 31/12/2018
- (4a) Remuneration for the position of member of the Remuneration and Appointments Committee from 1/1/2018 to 31/12/2018
- (4a-bis) Remuneration for the position of member of the Remuneration and Appointments Committee from 1/1/2018 to 31/12/2018, paid entirely to the Ministry of Infrastructure and Transport
- (4b) Remuneration for the position of member of the Remuneration and Appointments Committee paid on a pro-rated basis from 1/1/2018 to 12/11/2018
- (4c) Remuneration for the position of Chairman of the Remuneration and Appointments Committee from 1/1/2018 to 31/12/2018
- (5a) Remuneration for the position of member of the Control, Risks and Related Parties Committee paid from 1/1/2018 to 31/12/2018
- (5b) Remuneration for the position of member of the Control, Risks and Related Parties Committee paid on a pro-rated basis from 13/11/2018 to 31/12/2018
- (5c) Remuneration for the position of member of the Control, Risks and Related Parties Committee paid on a pro-rated basis from 1/1/2018 to 12/11/2018
- (5d) Remuneration for the position of Chairman of the Control, Risks and Related Parties Committee paid on a pro-rated basis from 1/1/2018 to 12/11/2018
- (5e) Remuneration for the position of Chairman of the Control, Risks and Related Parties Committee paid on a pro-rated basis from 13/11/2018 to 31/12/2018
- (6a) Remuneration for the position of member of the Sustainability Committee paid from 2/8/2018 to 31/12/2018
- (6b) Remuneration for the position of member of the Sustainability Committee paid on a pro-rated basis from 2/8/2018 to 12/11/2018
- (6c) Remuneration for the position of member of the Sustainability Committee paid on a pro-rated basis from 13/11/2018 to 31/12/2018
- (6d) Remuneration for the position of Chairman of the Sustainability Committee paid from 2/8/2018 to 31/12/2018
- (7) Gross annual fixed remuneration provided for in individual contract, in accordance with the provisions of the applicable collective bargaining agreement
- (8a) Remuneration for the position of Chairman of the Board of Directors of the subsidiary Techno Sky pursuant to Art. 2389, par. 1, of the Civil Code, paid from 1/1/2018 to 31/12/2018, paid entirely to ENAV
- (8b) Remuneration for the position of Chairman of the Board of Directors of the subsidiary Techno Sky pursuant to Art. 2389, par. 3, of the Civil Code, paid from 1/1/2018 to 31/12/2018, paid entirely to ENAV
- (9a) Remuneration for the position of director of the subsidiary Techno Sky pursuant to Art. 2389, par. 1, of the Civil Code, paid on a pro-rated basis from 01/01/2018 to 27/7/2018, paid entirely to ENAV
- (9b) Remuneration for the position of Chief Executive Officer of the subsidiary Techno Sky pursuant to Art. 2389, par. 3, of the Civil Code, paid on a pro-rated basis from 01/01/2018 to 27/7/2018, paid entirely to ENAV
- (9c) Remuneration paid to Chief Financial Officer for position as director of the subsidiary Techno Sky pursuant to Art. 2389, par. 1, of the Civil Code, paid from 1/1/2018 to 31/12/2018, paid entirely to ENAV
- (10) MBO 2018: short-term variable remuneration determined on the basis of achievement of corporate performance targets
- (11) MBO 2018: short-term variable remuneration determined on the basis of achievement of corporate and individual performance targets
- (12) Supplementary pension, company car for business and personal use, with fuel card, insurance policies and health insurance
- (13) Supplementary pension, company car for business and personal use, with fuel card, insurance policies and health insurance and annual health check-up
- (14a) Valuation of 2018 share of 1st cycle of Performance Share Plan (2017/2019) performed in accordance with IFRS 2 for the target value
- (14b) Valuation of 2018 share of 2nd cycle of Performance Share Plan (2018/2020) performed in accordance with IFRS 2 for the target value
- (14c) Valuation of 2018 share of 1st cycle of Performance Share Plan (2017/2019) performed in accordance with IFRS 2 for the target value, recalculated to take account of pro-rated amount due following termination of employment

**Table 3A - Incentive plans based on financial instruments, other than stock options, for members of the Board of Directors, general managers and other key management personnel**

Name and surname or category	Office (only for persons indicated by name)	Plan	Financial instruments granted in previous years not vested during the year		Financial instruments granted during the year					Financial instruments vested during the year and not awarded	Financial instruments vested during the year and awarded		Financial instruments attributable to the year
			Number and type of financial instruments	Vesting period	Number and type of financial instruments (1)	Fair value at grant date	Vesting period	Grant date (2)	Market price at grant date (3)	Number and type of financial instruments	Number and type of financial instruments	Value at vesting date	Fair value (4)
Roberta Neri	Chief Executive Officer of ENAV S.p.A.	LTI 2017-2019; resolution 11/12/2017	79,444 shares of ENAV S.p.A.	3 years	-	-	Three years, the shares will become available on approval of 2019 financial statements	11/12/2017	4,4308	-	-	-	109.778
		LTI 2018-2020; resolution 13/11/2018	-	-	88,433 shares of ENAV S.p.A.	316.415	Three years, the shares will become available on approval of 2020 financial statements	13/11/2018	3,9804	-	-	-	105.472
Massimo Bellizzi	General Manager of ENAV S.p.A.	LTI 2017-2019; resolution 11/12/2017	16,052 shares of ENAV S.p.A. (5)	3 years	-	-	Three years, the shares will become available on approval of 2019 financial statements	11/12/2017	4,4308	-	-	-	22.181
		LTI 2018-2020; resolution 13/11/2018	-	-	-	-	-	-	-	-	-	-	-
Key Managers	-	LTI 2017-2019; resolution 11/12/2017	31,361 shares of ENAV S.p.A. (6)	3 years	-	-	Three years, the shares will become available on approval of 2019 financial statements	11/12/2017	4,4308	-	-	-	43.336
		LTI 2018-2020; resolution 13/11/2018	-	-	92,991 shares of ENAV S.p.A.	332.724	Three years, the shares will become available on approval of 2020 financial statements	13/11/2018	3,9804	-	-	-	110.908
Other Group managers	-	LTI 2017-2019; resolution 11/12/2017	175,510 shares of ENAV S.p.A.	3 years	-	-	Three years, the shares will become available on approval of 2019 financial statements	11/12/2017	4,4308	-	-	-	242.524
		LTI 2018-2020; resolution 13/11/2018	-	-	61,010 shares of ENAV S.p.A.	218.296	Three years, the shares will become available on approval of 2020 financial statements	13/11/2018	3,9804	-	-	-	72.765

(1) Number of shares that can be granted upon achievement of performance target

(2) Date of Board resolution concerning the grant of rights to receive shares

(3) The price is calculated as the average price recorded in the month preceding the grant date

(4) Measurement of annual share of the Performance Share Plan on the basis of IFRS 2 with regard to the target value

(5) The value (and associated fair value) was recalculated taking account of pro-rated amount effectively due in view of the termination of the employment relationship of the General Manager on 31/07/2018

(6) The value (and associated fair value) was recalculated taking account of pro-rated amount effectively due in view of the termination of the employment relationship of the Human Resources Director on 31/05/2018

**SECTION III: INFORMATION ON THE EQUITY INVESTMENTS OF THE MEMBERS OF THE BOARD OF DIRECTORS AND BOARD OF AUDITORS, AS WELL AS THE GENERAL MANAGER AND OTHER KEY MANAGEMENT PERSONNEL (Table 7 ter – Annex 3A to the Issuers Regulation)**

The following table report the shareholdings in ENAV held, where applicable, by members of the Board of Directors, the Board of Auditors, the interim General Manager and other key management personnel, as indicated in the shareholders' register, notifications received and other information acquired from those persons. The number of shares (all ordinary) is shown in aggregate form. The managers hold full title to the shares.

**TABLE 1: Investments held by members of the Board of Directors, Board of Auditors and general managers**

Name and surname	Office	Investment in	Number of share held at the end of 2017	Number of shares purchased	Number of shares sold	Number of shares held at the end of 2018
Nicola Maione	Chairman BoD	ENAV	-	-	-	-
Roberta Neri	Chief Executive Officer	ENAV	-	-	-	-
Maria Teresa Di Matteo	Director	ENAV	-	-	-	-
Mario Vinzia	Director	ENAV	-	-	-	-
Giuseppe Acierno	Director	ENAV	-	-	-	-
Fabiola Mascardi	Director	ENAV	-	-	-	-
Carlo Paris	Director	ENAV	-	-	-	-
Antonio Santi	Director	ENAV	-	-	-	-
Franca Brusco	Standing auditor	ENAV	-	-	-	-
Donato Pellegrino	Standing auditor	ENAV	-	-	-	-
Mattia Berti	Standing auditor	ENAV	-	-	-	-
Roberto Scaramella	Director left office during the year	ENAV	-	-	-	-
Massimo Bellizzi	Interim General Manager	ENAV	-	-	-	-

**TABLE 2: Investments held by other key managers**

Office	Investment in	Number of share held at the end of 2017 <sup>[1]</sup>	Number of shares purchased	Number of shares sold	Number of shares held at the end of 2018 <sup>[2]</sup>
Key managers	ENAV	9.600	-	-	9.600

[1] Full title held, of which 1050 owned by spouses

[2] Full title held, of which 1050 owned by spouses



## GLOSSARY

Without prejudice to any further definitions provided in this Report, for the sake of clarity a summary table of the most common definitions is provided below:

<b>ENAV or Company</b>	ENAV S.p.A.
<b>Corporate Governance or Code</b>	The Corporate Governance Code for listed companies, as last approved in July 2015 by the Corporate Governance Committee established by Borsa Italiana S.p.A., ABI, Ania, Assonime, Confindustria and Assogestioni.
<b>Remuneration and Appointments Committee or Committee</b>	The Remuneration and Appointments Committee established by the Board of Directors pursuant to Article 11-bis of the Company's Articles of Association, in accordance with the recommendations of the Corporate Governance Code.
<b>Board of Directors</b>	ENAV's Board of Directors
<b>Key management personnel</b>	The managers referred to in Article 65, paragraph 1-(d), of the Issuers Regulation, as designated by the Company.
<b>Group</b>	ENAV and its subsidiaries pursuant to Article 2359 of the Italian Civil Code and the Article 93 of the Consolidated Law on Financial Intermediation.
<b>Instructions to the Market Rules</b>	The instructions to the rules governing the markets organised and operated by Borsa Italiana S.p.A.
<b>Long Term Incentive or LTI</b>	A long-term incentive mechanism that grants the beneficiaries a bonus based on the objectives assigned and the performance achieved
<b>Performance Share Plan or LTI Plan</b>	The 2017-2019 Performance Share Plan referred to in the Information Document prepared pursuant to Article 84- <i>bis</i> of the Issuers Regulation and approved by the Shareholders' Meeting of 28 April 2017 pursuant to Article 114- <i>bis</i> , paragraph 1, of Legislative Decree 58 of 24 February 1998. The Information Document is available to the public at the registered office of the Company, on the Company's website at <a href="http://www.enav.it">www.enav.it</a> , in the section 'Governance –

	Shareholders' Meeting 2017', and on the website of the 1INFO authorised storage mechanism operated by Computershare S.p.A. at <a href="http://www.1info.it">www.1info.it</a> .
<b>Remuneration Policy or Policy</b>	The Remuneration Policy for 2018, approved by the Board of Directors and described in Section I of this report.
<b>Implementation Rules of the LTI Plan (Implementation Rules)</b>	Rules for the implementation of the Performance Share Plan, approved by the Board of Directors of ENAV on 11 December 2017.
<b>Committee Rules</b>	The Rules of the Remuneration and Appointments Committee approved by the Board of Directors of ENAV on 21 June 2016.
<b>Issuers Regulation</b>	The Regulation issued by Consob with resolution no. 11971 of 14 May 1999 concerning issuers, as amended.
<b>Report on Remuneration (the Report)</b>	This Remuneration Report prepared pursuant to Articles 123-ter of the Consolidated Law on Financial Intermediation and Article 84-quater) of the Issuers Regulation.
<b>Short Term Incentive or STI</b>	An incentive mechanism that grants the beneficiaries an annual bonus based on the objectives assigned and the performance achieved.
<b>Consolidated Law on Financial Intermediation (or Consolidated Law)</b>	Legislative Decree No. 58 of 24 February 1998 and subsequent amendments and additions.

## INDEX BY SUBJECT

### (ANNEX 3 A TO THE ISSUERS REGULATION - TABLE 7 BIS - REMUNERATION REPORT - SECTION I)

Information requested	Reference
a) the bodies or persons involved in the preparation and approval of the remuneration policy, specifying the respective roles, as well as the bodies or persons responsible for the correct implementation of said policy	<b>Section 1</b>
b) the possible action of a remuneration committee or another committee competent in this area, describing its composition (distinguishing between non-executive and independent directors), duties and operating procedures	<b>Section 1 - (iii)</b>
c) the name of any independent experts who may be involved in preparing the remuneration policy	<b>Section 1 - (iii)</b>
d) the purposes pursued with the remuneration policy, its underlying principles and any changes in the remuneration policy with respect to the previous financial year	<b>Section 2</b>
e) the description of policies concerning fixed and variable components of remuneration, with specific regards to the indication of the related weight within total salary and distinguishing between short and medium/long-term variable components	<b>Section 3</b>
f) the policy applied with regard to non-monetary benefits	<b>Section 4</b>
g) with reference to the variable components, a description of the performance objectives on the basis of which they are awarded, distinguishing between short and medium-long term variable components, and information on the link between a change in results and the associated change in remuneration	<b>Section 5</b>

h) the criteria used to assess the performance objectives underlying the award of shares, options, other financial instruments or other variable components of remuneration	<b>Section 6</b>
i) information aimed at highlighting the consistency of the remuneration policy with the pursuit of the company's long-term interests and with the risk management policy, where formalised	<b>Section 6</b>
j) the terms of accrual of rights (the so-called vesting period), any deferred payment systems, indicating the period of deferral and the criteria used to determine such periods and, where applicable, <i>ex post</i> correction mechanisms	<b>Section 7</b>
k) information on any clauses requiring that the financial instruments be held in portfolio after their purchase, with an indication of the periods for which they must be held and the criteria used to determine these periods	<b>Section 7</b>
l) the policy regarding indemnities envisaged in the event of termination of office or employment, specifying the circumstances that give rise to the entitlement and any possible connection between these indemnities and the company's performance	<b>Section 8</b>
m) information on the existence of any forms of insurance coverage, or social security or pension schemes other than mandatory systems	<b>Section 9</b>
n) any remuneration policy applied to: (i) independent directors, (ii) committee membership and (iii) the performance of specific duties (chairman, deputy chairman, etc.)	<b>Section 10</b>
o) if the remuneration policy has been defined using the remuneration policies of other companies as a reference and, if so, the criteria used to select these companies.	<b>Section 11</b>

## PROPOSED RESOLUTION

In view of the foregoing, we submit the following resolution for your approval:

*“The Ordinary Shareholders’ Meeting of ENAV S.p.A.:*

- *having examined and discussed the section of the Remuneration Report provided for in Article 123-ter, paragraph 3, of Legislative Decree 58/98, approved by the Board of Directors acting on a proposal of the Remuneration and Appointments Committee, containing a discussion of the Company’s policy on the remuneration of the members of the administrative bodies, the general manager and other key management personnel, as well as the procedures used to adopt and implement this policy, and made available to the public in the manner and within the time limits provided for in applicable law;*
- *whereas the aforementioned section of the remuneration report and the policy described in it are compliant with the provisions of the applicable regulations on the remuneration of the members of the board of directors, of the general manager and other key management personnel,*

### ***hereby resolves***

*to approve the first section of the remuneration report referred to in the aforementioned Article 123-ter, paragraph 3, of Legislative Decree 58/98, approved by the Board of Directors on 11 March 2019 and containing a discussion of the Company’s policy on the remuneration of the members of the administrative bodies, the interim general manager and other key management personnel, as well as the procedures used to adopt and implement this policy”.*