



REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE FOR 2019

Approved by the Board of Directors of ENAV S.p.A. on 12 March 2020

Prepared pursuant to Article 123-*bis* of the Consolidated Law on Financial Intermediation

www.enav.it

ENAV is the company that handles civil air traffic in Italy, guaranteeing safety and punctuality 24 hours a day for over 2 million flights a year from its control towers and area control centres. With some 4,200 employees, the Company provides air navigation services to its customers - the airlines flying in Italian airspace - and is the leader among the five largest industry players in Europe in terms of operating performance and capacity for innovation.

As a key operator in the international air traffic management system, ENAV participates in research and development initiatives in coordination with national and international industry oversight bodies and is one of the major actors in the establishment of the Single European Sky, the programme to harmonise EU air traffic management, with the goal of enhancing the safety and efficiency of air transportation.

ENAV pursues an ethical and socially responsible business model designed to create sustainable long-term value for the Company and its stakeholders. In view of the social importance of the Company's operations, this is the objective to which its corporate governance system is oriented. Over the years, the Company has pursued projects aimed at increasing the level of engagement in the issue throughout the organisation. In this regard, the commitment of senior management has been gradually encouraged by way of specific incentives as described in greater detail in the report on remuneration policy and amounts paid for the year ended 31 December 2019. The Company publishes an annual sustainability report, which both describes the issues inherent in the materiality matrix and the indicators required by the standards of the core version of the Global Reporting Initiative (GRI), as well as the future targets and projects aimed at implementing the strategy adopted by the Board of Directors in this regard. For more information on sustainability issues and the attention the Company has always paid to the social and environmental consequences of its activities, in addition to this Report please see the ENAV Group's Sustainability Report, published on the website www.enav.it and on the Group's sustainability portal at <https://sustainability.enav.it>.

INTRODUCTION

This Report illustrates ENAV's corporate governance system, which is composed of a series of bodies, principles, rules and procedures that comply with the principles set out in the Corporate Governance Code, the recommendations formulated by Consob in this area and, more generally, international best practice. In view of the social importance of the Company's operations, the main objective of ENAV's corporate governance system is to create long-term value for its shareholders and appropriately balance and foster all the interests involved.

The Report opens with the section *"ENAV: Profile and Corporate Governance"*, which provides a summary of information on the main elements of ENAV's corporate governance system.

This Report is divided into three sections providing the following information:

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

The Report was prepared having regard to:

- the format for reports on corporate governance and ownership structure published by Borsa Italiana S.p.A.¹
- The European House - Ambrosetti S.p.A. 2019 Final Report of the Observatory on Corporate Governance Excellence in Italy;
- the Assonime 2019 report "Corporate Governance in Italy: self-regulation, remuneration and comply-or-explain";
- the 2019 report on developments in the corporate governance of listed companies of the Corporate Governance Committee of Borsa Italiana.

This Report is published in the "Governance " section of www.enav.it.

¹The format is available at the following address: <http://www.borsaitaliana.it/comitato-corporate-governance/documenti/format.htm>.

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ENAV PROFILE AND CORPORATE GOVERNANCE

A. CORPORATE GOVERNANCE

In view of the social importance of the Company's operations, the main objective of ENAV's corporate governance system is to create long-term value for its shareholders and appropriately balance and foster all the interests involved. The ENAV corporate governance structure is based on the traditional Italian model, which, save for the powers reserved to the Shareholders' Meeting by law and the Articles of Association, gives the Board of Directors responsibility for the strategic and operational management of the Company, while the Board of Auditors is charged with performing oversight functions.

In accordance with the provisions of the Articles of Association, the Board of Directors has appointed a Chief Executive Officer, who has been granted all powers for the ordinary and extraordinary management of the Company, while reserving decisions on certain matters to itself. The Chief Executive Officer is thus the person primarily responsible for the management of the Company, without prejudice to the powers and responsibilities reserved to the Board of Directors.

The Board of Directors also granted the Chairman the authority to coordinate internal auditing activities and, together with the Chief Executive Officer, responsibility for managing national and international institutional relations. The Chairman, in agreement with the Chief Executive Officer, also handles the Company's external communication activities and relations with national and foreign media.

The model adopted by the Company separates of the functions of the Chairman of the Board of Directors and the Chief Executive Officer, while both are responsible for representing the Company.

In accordance with the recommendations of the Corporate Governance Code, the Board of Directors has established three internal committees to provide advice and recommendations to the Board: the Control, Risks and Related Parties Committee, the Remuneration and Appointments Committee and the Sustainability Committee, which report to the Board through their respective Chairmen at every Board meeting.

The Board of Directors, acting on a proposal of the Chief Executive Officer and taking note of the favourable opinion issued by the Board of Auditors in accordance with Article 18-*bis* of the Articles of Association, also appointed the Financial Reporting Officer in charge of preparing the Company's financial statements.

The task of performing independent statutory audit functions is carried out by the audit firm EY S.p.A., which is entered in the register of audit firms and was appointed by the Shareholders' Meeting acting on a proposal of the Board of Auditors.

Governance



B. MAIN COMPANY HIGHLIGHTS

	2019	2018	Change	%
Total revenues	902,891	889,740	13,151	1.5%
EBITDA	302,871	297,381	5,490	1.8%
EBIT	170,587	164,391	6,196	3.8%
Consolidated net profit	118,433	114,390	4,043	3.5%
Net financial debt	(126,376)	1,958	(128,334)	n.a.
Capitalisation at 31/12	2,882,080	2,298,080	584,000	25.41%
Workforce at year-end	4,195	4,114	81	2.0%

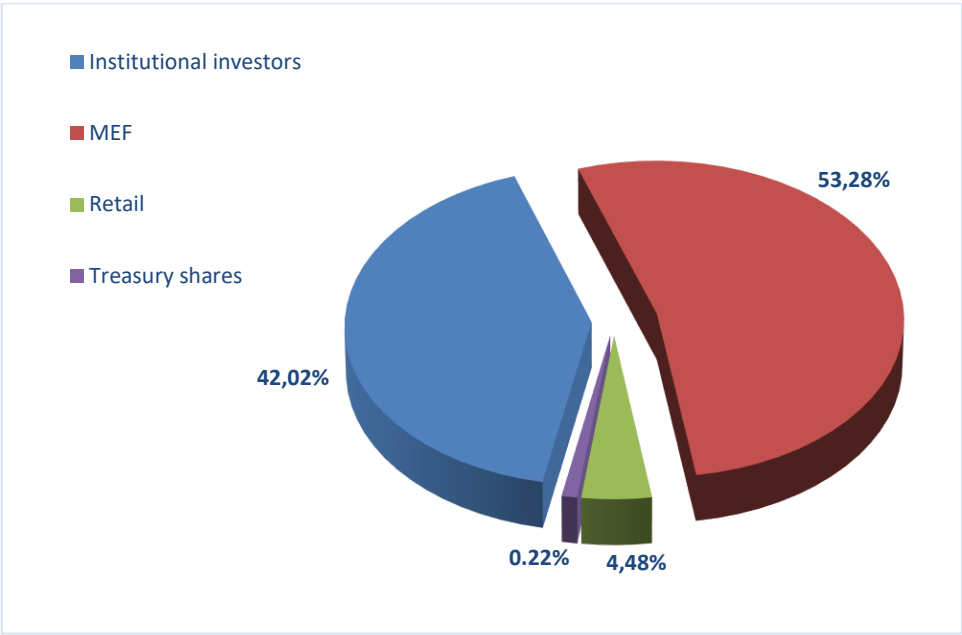
thousands of euros

C. STOCK PERFORMANCE IN RELATION TO ONE OR MORE BENCHMARK INDICES²



² The table shows the performance of the stock on the date of approval of this Report. For further information on the performance of ENAV's share, please refer to the Investor Relations section of the Company's website www.enav.it.

D. STRUCTURE AND CHARACTERISTICS OF THE SHAREHOLDERS BASE



* Shareholder identification conducted in November 2019.

E. COMPOSITION OF THE BOARD OF DIRECTORS AND THE COMMITTEES ³

DIRECTOR	POSITION ON THE BOARD	ROLE	M/m	CRRPC	RAC	SC
Nicola Maione	Chairman	Non-executive	M			
Roberta Neri	Chief Executive Officer	Executive	M			
Giuseppe Acierno	Director	Non-executive	M		P	
Pietro Bracco	Director	Non-executive	M		C	C
Maria Teresa Di Matteo	Director	Non-executive	M		C	
Fabiola Mascardi	Director	Non-executive	m	C		C
Carlo Paris	Director	Non-executive	m			P
Antonio Santi	Director	Non-executive	m	P		
Mario Vinzia	Director	Non-executive	M	C		

CRRPC: Control, Risks and Related Parties Committee.

RAC: Remuneration and Appointments Committee

SC: Sustainability Committee

M: Majority slate

m: Minority slate

P: Chairman

C: member

³ The figure reflects the membership of the Board of Directors and the Board committees at the date this Report was approved.

F. MIX OF EXPERTISE AND DIVERSITY⁴



Nicola Maione
Chairman



Roberta Neri
Chief Executive Officer



Pietro Bracco
Director



Giuseppe Acierno
Director



Maria Teresa Di Matteo
Director



Fabiola Mascardi
Director



Carlo Paris
Director



Antonio Santi
Director



Mario Vinzia
Director



Chairman



Chief Executive Officer



Independent Director



Not independent Director

⁴ Determined on the basis of the board evaluations conducted between January and February 2020 with the support of the independent advisor Spencer Stuart.

<u>Tenure</u>		
	April 2019	Pietro Bracco
	April 2017	Giuseppe Acierno
	April 2017	Fabiola Mascardi
	April 2017	Carlo Paris
	April 2017	Antonio Santi
	April 2016	Mario Vinzia
	June 2015	Roberta Neri
	September 2014	Maria Teresa Di Matteo
	September 2014	Nicola Maione

Control, Risks and Related Parties Committee



Antonio Santi
Chairman



Fabiola Mascardi
Member



Mario Vinzia
Member

Remuneration and Appointments Committee



Giuseppe Acierno
Member

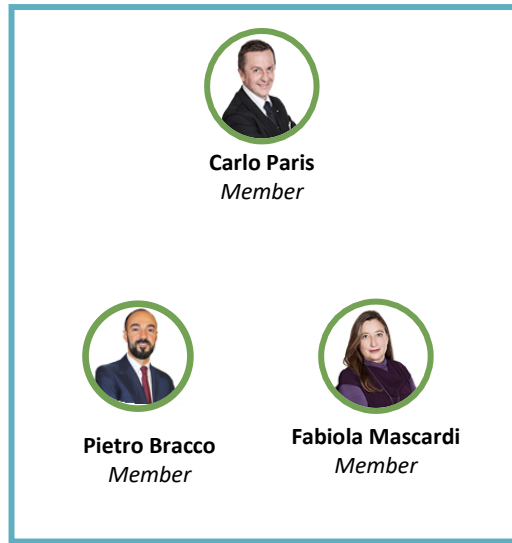


Pietro Bracco
Member

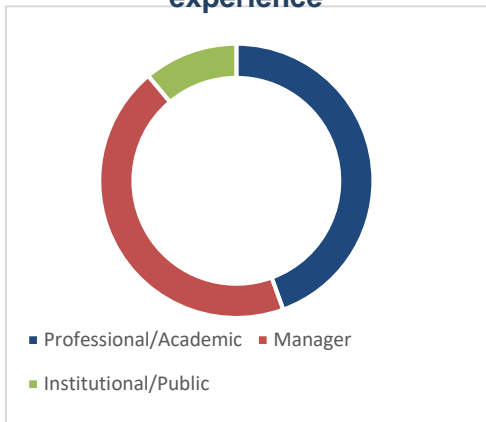


Maria Teresa Di Matteo
Member

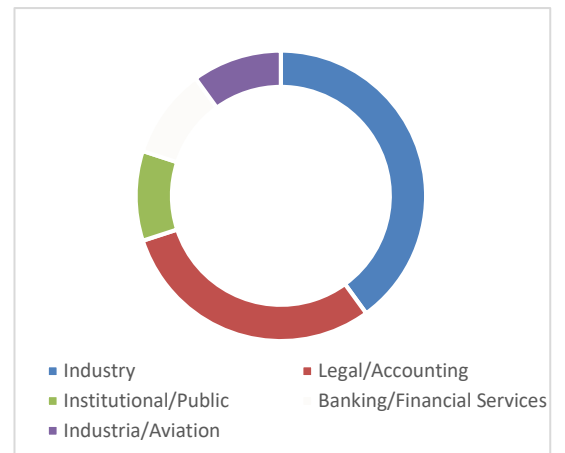
Sustainability Committee



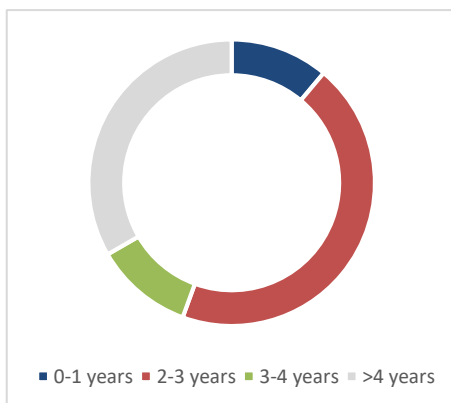
Prior experience



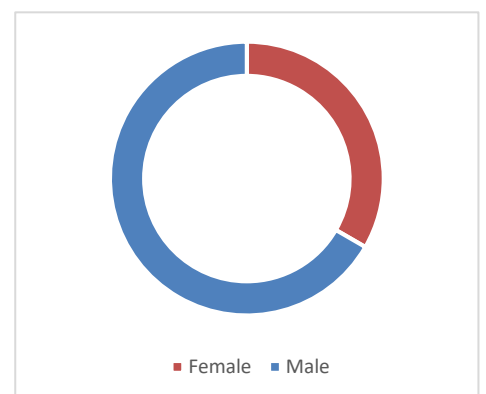
Background



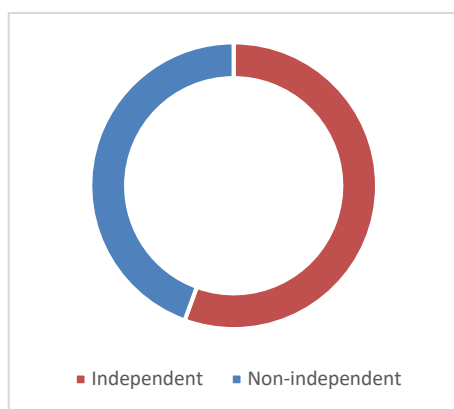
Tenure



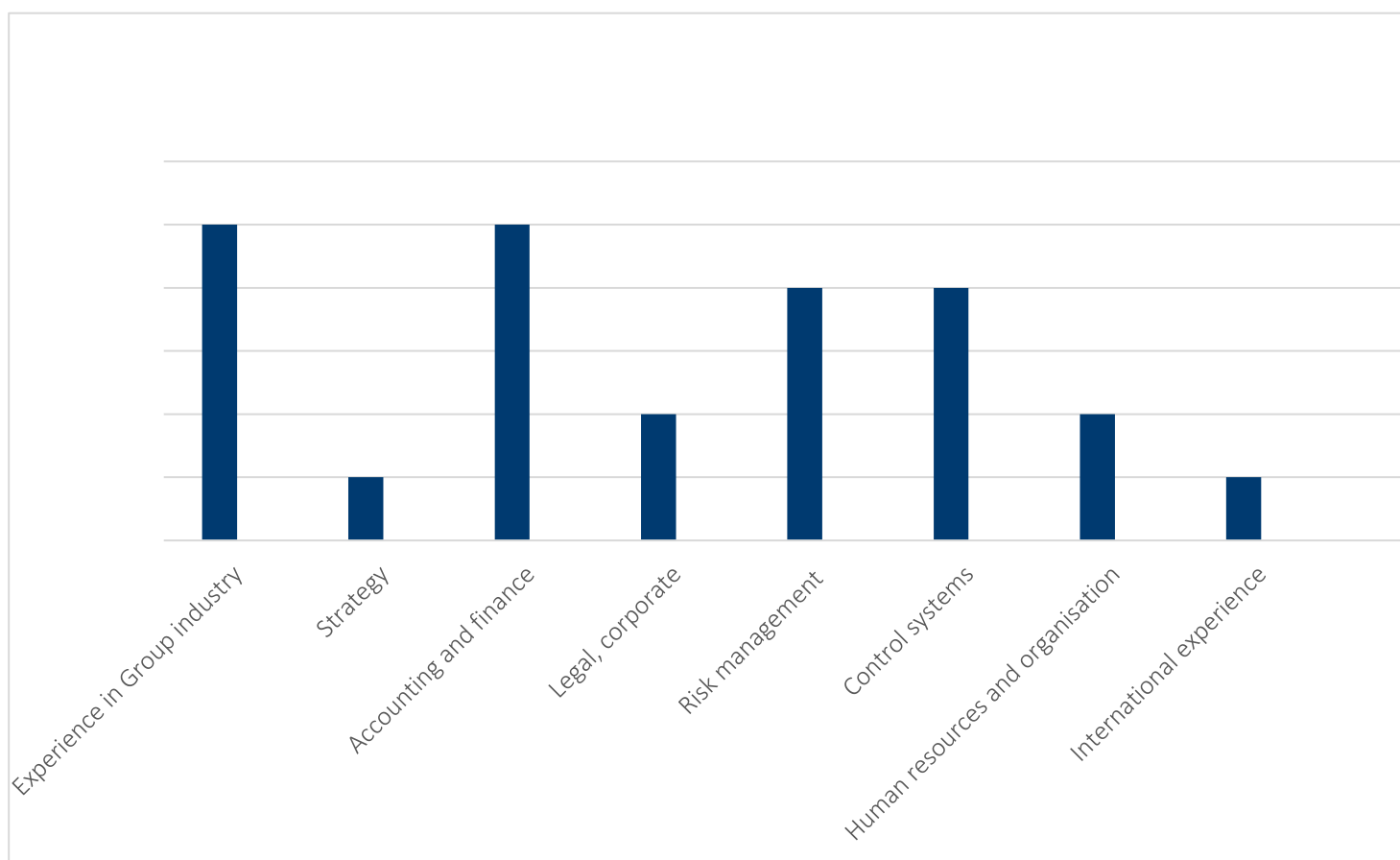
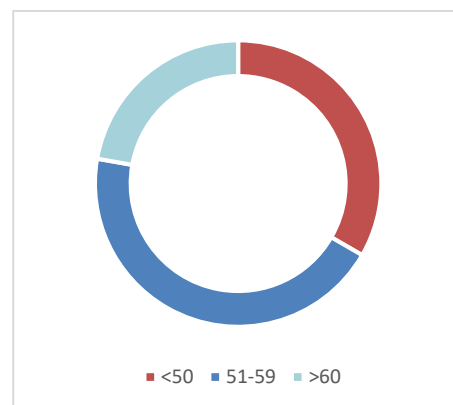
Gender diversity



Independence



Age



Developments compared with the previous term

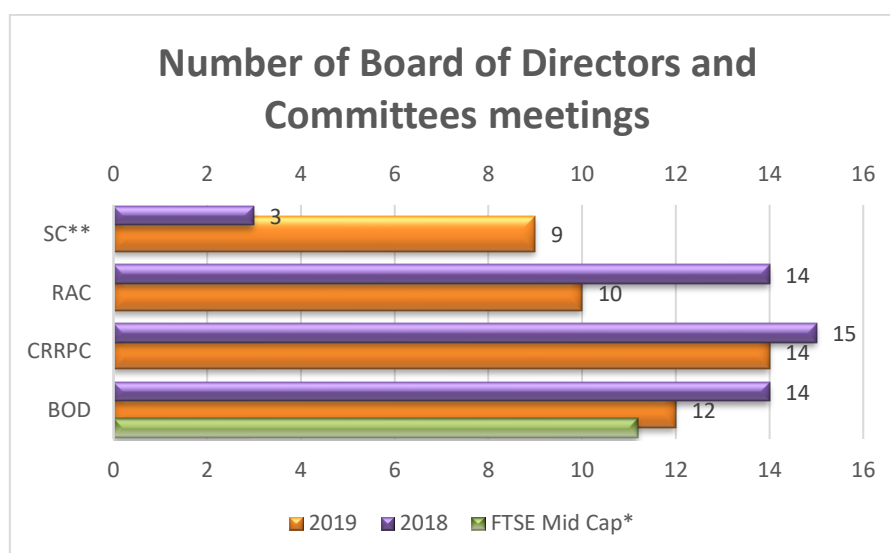
	Previous term	Current term	Mid-Cap average
Number of directors	7	9⁵	10.7*
Directors elected from minority shareholders	-	33.33%	12.2%*
% of the less represented gender in Board of Directors	28.5%	33.33%	35.4%*
% of independent directors	28.5%	55.55%	52%*
Average age of directors	52.7	53.22	57.6*
Status of the Chairman	Non-executive	Non-executive	24%**
Lead Independent Director	no	no	-

* *The European House – Ambrosetti S.p.A., 2019 Report of the Observatory on Corporate Governance Excellence in Italy. The data refer to 2018.*

** *The European House – Ambrosetti S.p.A., 2019 Report of the Observatory on Corporate Governance Excellence in Italy. The data refer to 2018 and regard cases of overlap in the position of Chairman and Chief Executive Officer.*

** *Assonime, 2019 Report "Corporate Governance in Italy: self-regulation, remuneration and comply-or-explain".*

G. OPERATION OF BOARD OF DIRECTORS AND OF COMMITTEES

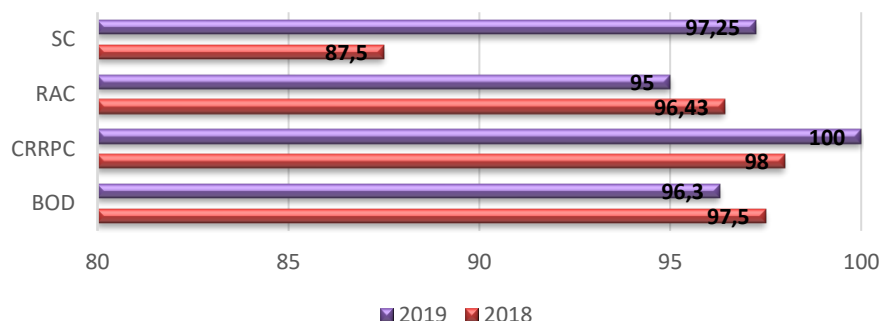


* *Assonime, 2019 Report "Corporate Governance in Italy: self-regulation, remuneration and comply-or-explain".*

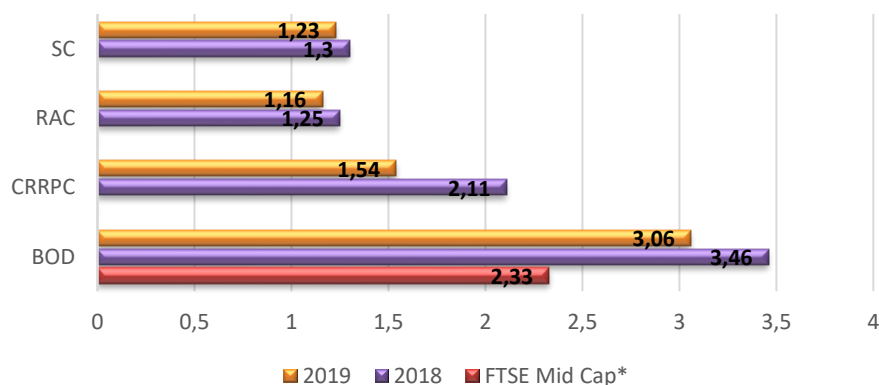
** Please note that the Sustainability Committee was established by the Board of Directors on 27 June 2018.

⁵ Among other business, the Shareholders' Meeting of 26 April 2019 set the number of directors at nine, appointing Pietro Bracco in replacement of Roberto Scaramella, who resigned on 8 November 2018 from his position as director and Chairman of the Board.

Average participation rate of directors in Board and Committees meetings



Average duration of Board and Committees meetings



* Assonime, 2019 Report "Corporate Governance in Italy: self-regulation, remuneration and comply-or-explain".

Offices held by members of the Board as directors or members of the board of auditors in other companies

	Other listed companies				Other significant unlisted companies	
	Executive director	Non-executive director	Independent director	Auditor	Director	Auditor
Nicola Maione	-	1	-	-	-	-
Roberta Neri	-	-	1	-	-	-
Giuseppe Acierno	-	-	-	-	-	-
Pietro Bracco	-	-	-	-	-	-
Fabiola Mascardi	-	2	-	-	-	-
Maria Teresa Di Matteo	-	-	-	-	-	-
Carlo Paris	-	-	1	-	-	-
Antonio Santi	-	-	-	2	-	-
Mario Vinzia	-	-	-	-	-	-

Annual Board Evaluation

Annual Board Evaluation	Yes
Independent advisor to the evaluation process	Spencer Stuart
Self-assessment method	Questionnaires, analysis and guidance for optimal size and qualifications of Board and peer analysis.

H. REMUNERATION

Overview of remuneration instruments

LTI	NO	SI
Long-term incentive system in place		x
LTI vehicles		x
Cash	x	
Financial instruments		x
LTI parameters for the CEO		Weight
Cumulative EBT		30
Relative TSR		40
Free cash flow		30
Sustainability		Corrective

STI	NO	SI
Short-term incentive system in place		x
Bonus cap in place		x
STI parameters for CEO		Weight
EBITDA		40
ROE	x	
Revenues	x	
NFP	x	
Net profit		20
Operating performance		20
Non-regulated market turnover		10
Sustainability		10

STI: Short-term incentive

LTI: Long-term incentive

EBITDA: (Earnings before interest, tax, depreciation and amortisation): an indicator of performance before the effects of financial operations and tax, as well as amortisation, depreciation and writedowns on fixed assets, receivables and provisions, as reported in the financial statements and adjusted for investment grants directly associated with the amortising investments to which they relate.

NFP (Net financial position): the sum of financial liabilities, financial assets in respect of the fair value of derivatives and cash and cash equivalents;

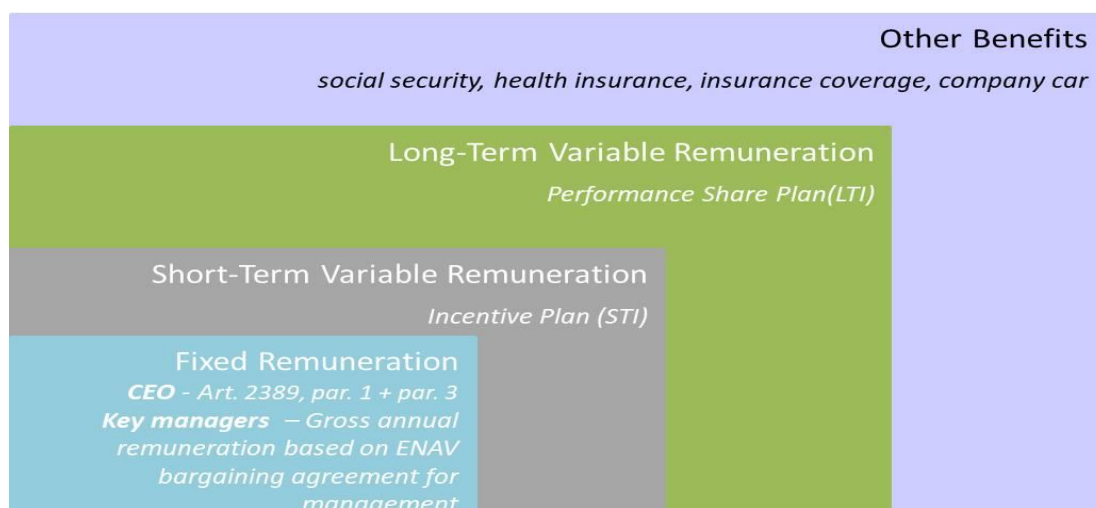
ROE: return on equity

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

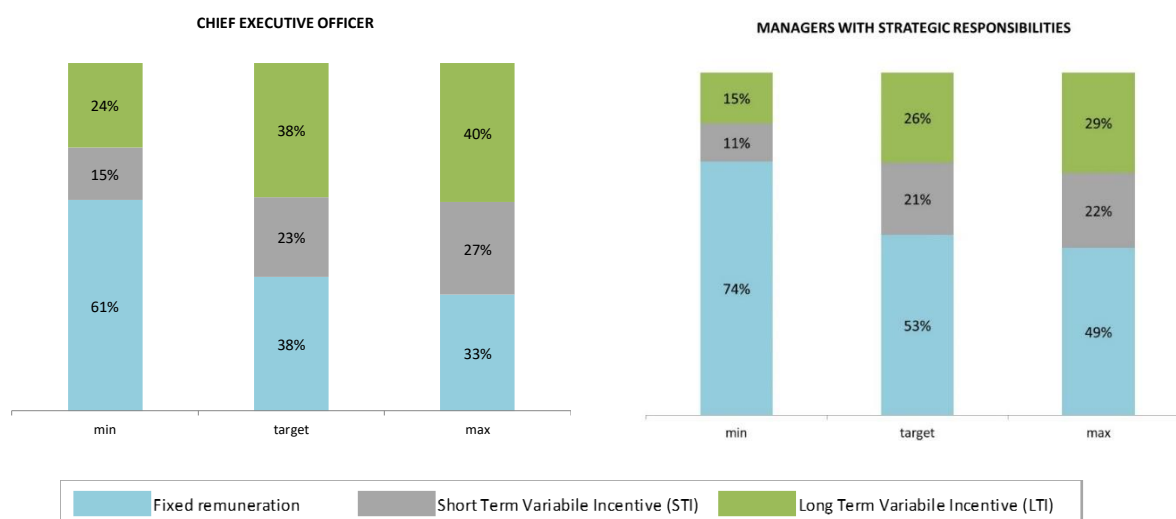
Free Cash Flow: the cash flow available to the entity, equal to the algebraic sum of the cash flow from operating activities and the cash flow for fixed capital investment.

Remuneration policy and theoretical remuneration levels

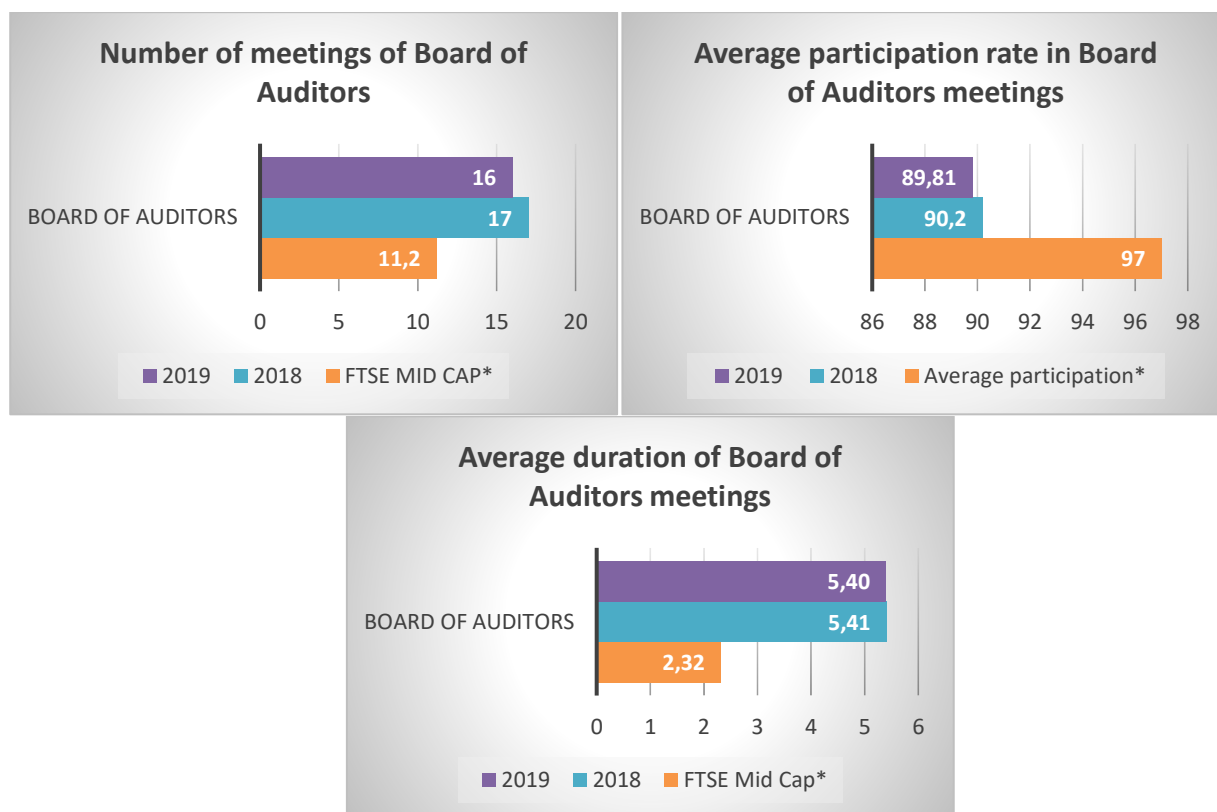
Theoretical pay mix for Chief Executive Officer and managers with strategic responsibilities



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



I. BOARD OF AUDITORS



* Assonime, 2019 Report "Corporate Governance in Italy: self-regulation, remuneration and comply-or-explain".

J. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

Main elements of the internal control and risk management system

	YES/NO
Risk Management function in place	YES
Enterprise Risk Management Plan in place	YES
The plan is discussed with the Control, Risks and Related Parties Committee	YES
Succession/contingency plans in place	YES
Preparation of specific compliance programmes (antitrust, anticorruption, whistleblowing, etc.)	YES

Enterprise Risk Management of the ENAV Group –Risk assessment methodology

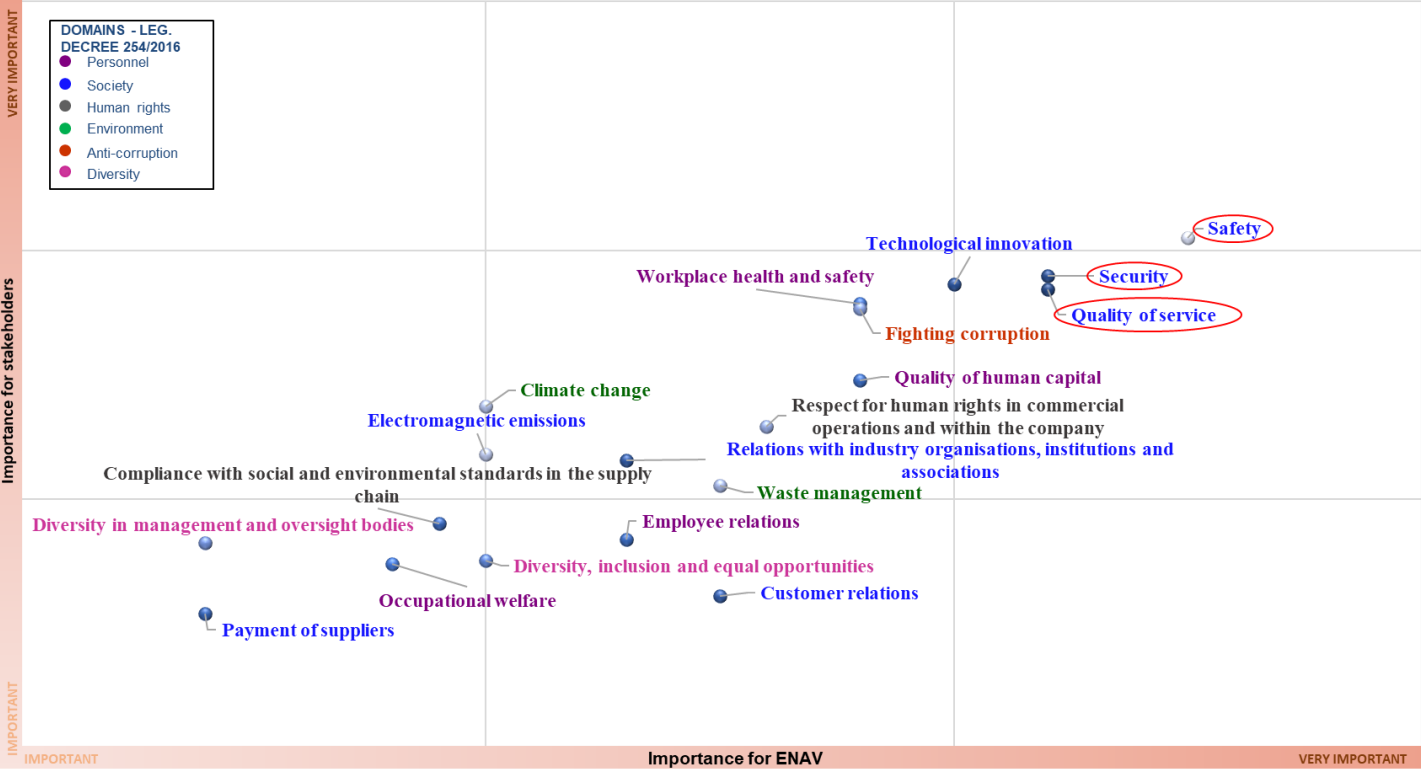
Due in part to a number of significant organisational changes, the ENAV Group's approach to enterprise risk management was redefined in 2019 with the full revision of the ERM process and of the corporate risk profile. The identification and classification of the Group's ERM risks by the Enterprise Risk Universe (ERU) has led to a map of potential risks grouped into four areas – i.e. (i) Strategic, (ii) Financial, (iii) Operational, and (iv) Compliance – and 22 sub-areas. The risk assessment process has led to the identification of 44 enterprise risks related to the ENAV Group's business. In addition to updating significant non-financial risks for the purposes of corporate social responsibility for the Group, risk assessment also looked at emerging risks based, in part, on information taken from leading international reports.

In terms of the four main areas of the ERU:

1. the priorities of the Strategic area are aspects related to reputation management, institutional relations, and compliance with the Market Abuse Regulation;
2. in addition to the constant focus on safety in air navigation services, the priorities in the Operations area concern business continuity, security, health and safety, the environment, the handling of labour-related disputes, organisational structure, and human capital;
3. in the Compliance area, particular emphasis has been placed on compliance with applicable laws and regulations in provision of ATM/CNS services and with cyber-security legislation;
4. finally, there were no significant risks in the Financial area.

K. SUSTAINABILITY

Materiality matrix



For more information, please see the ENAV’s 2019 Sustainability Report

GLOSSARY

The following list contains definitions for some of the most common terms used throughout this report:

Articles of Association	The Articles of Association of ENAV
Audit firm	EY S.p.A.
Board of Auditors	The Board of Auditors of ENAV
Board of Directors or Board	ENAV's Board of Directors
Business Plan	The 2018-2022 Business Plan
Code or Corporate Governance Code	The Corporate Governance Code for listed companies, approved by the Corporate Governance Committee of Borsa Italiana S.p.A.
Consolidated Law on Financial Intermediation (or Consolidated Law)	Legislative Decree 58 of 24 February 1998 as amended
CRRPC	ENAV's Control, Risks and Related Parties Committee
Directors or Director	The members of ENAV's Board of Directors (or each member of ENAV's Board of Directors)
ENAV or the Company	ENAV or the Company
ENAV S.p.A.	ENAV S.p.A.
Financial Reporting Officer	The Officer in charge of preparing the Company's financial statements
Financial year	The financial year ending 31 December 2019
Instructions to the Market Rules	The instructions to the rules governing the markets organised and operated by Borsa Italiana S.p.A.
Internal Control and Risk Management System or ICRMS	The set of tools, organisational structures, standards and business rules aimed at enabling the identification, measurement, management and monitoring of ENAV main risks, as described in this Report

Issuers Regulation	The Regulation issued by Consob with resolution no. 11971 of 14 May 1999 concerning issuers, as amended
Market Regulation	The Regulation issued by Consob with resolution no. 16191 of 29 October 2007, as amended
Market Rules	The rules governing the markets organised and operated by Borsa Italiana S.p.A.
RAC	ENAV's Remuneration and Appointments Committee
Related Parties Regulation	The Regulation issued by Consob with Resolution no. 17221 of 12 March 2010 concerning related party transactions, as amended
Remuneration Report	The report on remuneration policy and remuneration paid pursuant to Article 123- <i>ter</i> of the Consolidated Law on Financial Intermediation and Article 84- <i>quater</i> of Issuers Regulation
Report	This report on corporate governance and ownership structure pursuant to Article 123- <i>bis</i> of the Consolidated Law on Financial Intermediation
SC	ENAV's Sustainability Committee
Shareholders' Meeting or Meeting	ENAV Shareholders' Meeting, in either ordinary or extraordinary session
2019 Shareholders' Meeting	ENAV Shareholders' Meeting of 26 April 2019
Subsidiaries	The companies controlled by ENAV pursuant to Article 2359 of the Italian Civil Code and Article 93 of the Consolidated Law on Financial Intermediation

SECTION 1 - INFORMATION ON THE OWNERSHIP STRUCTURE

1. INFORMATION ON THE OWNERSHIP STRUCTURE

1.1. Composition of share capital

As of the date of this Report, the subscribed and paid-in share capital of ENAV is equal to €541,744,385.00 and consists of 541,744,385 ordinary shares with no par value.

ENAV shares are non-divisible and each share bears the right to one vote. The shares are freely transferable.

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

For information on the structure of ENAV's share capital, please see the table in the Summary above and in section 1.3 below.

1.2. Major shareholders

As of the date of this Report, based on the Company's shareholder register and notifications received pursuant to Article 120 of the Consolidated Law and other information received, no shareholder, with the exception of the Ministry for the Economy and Finance ("MEF"), which holds 53.28% of the share capital, directly or indirectly holds more than 3% of ENAV's shares.

1.3. Distribution of shareholder base

The following table shows the distribution of ENAV's shareholders by geographical region:⁶

Area/Region	Percentage of share capital
Italy (MEF)	53%
Italy (institutional + retail investors/employees)	15%
United States + Canada	9%
Australia	2%
United Kingdom + Ireland	6%
Rest of Europe + Switzerland	9%
Rest of the world and undisclosed	6%

1.4. Shares conferring special rights

The Company has issued no shares conferring special rights.

1.5. Employee stock ownership: exercising voting rights

Article 137 of the Consolidated Law provides that the articles of association of a company with listed shares may include provisions to facilitate proxy voting by shareholders who are employees.

With a view to facilitating the involvement of this category of shareholders in the decision-making processes of the Shareholders' Meeting, the ENAV Articles of Association establish that in order to facilitate the collection of proxies from shareholders who are employees of the Company or its subsidiaries and belong to shareholder associations that meet the requirements laid down by applicable law, facilities to be used for communication and the collection of proxies shall be made available to these associations in accordance with the terms and procedures agreed with their legal representatives.

⁶ Shareholder identification conducted in November 2019. The table was prepared in accordance with the notifications provided for by law and the information available to the Company.

In 2019 the LAGE Association – ENAV Group Employee Shareholders was established. During the period, ENAV's Investor Relations unit maintained an ongoing and constructive dialogue with the association, mainly in the form of periodic meetings, updating it on Company activities.

As of the date of this Report, the association does not meet the requirements established by the Consolidated Law and accordingly the provisions of Article 8.1 of the Articles of Association described above do not apply to it.

1.6. Restrictions on the transfer of securities and special powers of the Italian State

The ENAV Articles of Association do not establish any restrictions of the transfer of the Company's shares or limitations on their possession, although they are subject to the application of specific statutory provisions. The Company is subject to the provisions of Decree Law 21 of 15 March 2012, ratified with amendments by Law 56 of 11 May 2012 ("Decree Law 21/2012"), concerning the special powers of the State ("golden powers") regarding strategic assets in the (i) energy, transportation and communications sectors and in the (ii) defence and national security field, with the amendments introduced by Article 4-*bis* of Decree Law 105 of 21 September 2019, ratified with amendments by Law 133 of 18 November 2019 containing urgent measures for national cyber security and rules governing special powers in strategic sectors". In particular, the adoption of specific corporate resolutions by the Company or the purchase of specific significant equity interests in the share capital of ENAV could be limited by these special powers.

These regulations gives the State the power to (a) veto resolutions, acts and transactions that – in giving rise to a change in the ownership, control or availability of the assets themselves or a change in their use – create an exceptional situation, not governed by national or European legislation, that seriously jeopardises the public interest concerning the security and operation of networks and installations and the continuity of supply; b) qualify the effectiveness of an acquisition of any type - by a non-European Union entity - of interests of such significance as to result in the permanent establishment of the purchaser as a result of the acquisition of control of the company, pursuant to Article 2359 of the Italian Civil Code and Article 93 of the Consolidated Law, if this purchase seriously jeopardise the public interest concerning the security and operation of networks and installations and the continuity of supply, requiring that entity to make commitments ensuring the protection of such interests; and c) oppose the acquisition referred to under point (b) above if it should pose an exceptional risk to the protection of the public interest and the operation of networks and installations and the continuity of supply that cannot be eliminated by commitments of the acquiring entity to ensure the protection of such interests. Other limitations on governance and transactions may be imposed on firms "within the scope of national cybernetic security".

ENAV holds certain assets that are strategic assets in the field of defence and national security and, therefore, is subject to Article 1 of Decree Law 21/2012 and the associated implementing provisions.

This means that if there is an actual threat seriously prejudicing the essential interests of national defence and security, the State can (i) impose specific conditions concerning the security of supply, the security of information, the transfer of technology or the control of exports in the event of an acquisition, in any capacity, of interests in these companies; (ii) veto the adoption of resolutions by the shareholders' meeting or the boards of these companies that concern the merger or demerger of the company, the transfer of the company or units thereof or of subsidiaries, the transfer of the registered office abroad, the amendment of the corporate purpose, the dissolution of the company, the amendment of any clause of the Articles of Association adopted pursuant to Article 2351, third paragraph of the Italian Civil Code or introduced pursuant to Article 3, paragraph 1 of Decree Law 332/1994, the assignment of property rights or rights of use over tangible or intangible assets or the imposition of restrictions that affect their use; and (iii) oppose the acquisition, in any capacity, of interests in such companies by an entity other than the Italian State, Italian public entities or entities controlled by the latter, if the purchaser will hold, directly or indirectly, including through subsequent acquisitions, through a third party or entities that are otherwise connected, an interest in the voting capital of a size that could in this specific case compromise national defence and security interests.

Further restrictions on the transfer of securities derive from the implementation of the 2017-2019 Performance Share Plan, as set out in the Information Document prepared pursuant to Article 84-*bis* of the Issuers Regulation and approved by the Shareholders' Meeting of 28 April 2017, whose implementing rules impose a lock-up period on a portion of the shares assigned to the Chief

Executive Officer and the other beneficiaries. Moreover, the Information Document on the new equity-based Long-Term Incentive Plan for the 2020-2022 period, prepared pursuant to Article 84-bis of the Issuers Regulation, will be submitted to the Shareholders' Meeting called to approve the financial statements for the period, establishing that 30% of the shares granted to the Chief Executive Officer and the other beneficiaries are subject to a lock-up period, for approval. For more information on the lock-up mechanism as detailed in the Plan Rules, please see the Remuneration Report prepared pursuant to Articles 123-ter of the Consolidated Law and 84-quater of the Issuers Regulation, made available to the public on the Company's website, as well as with the other methods provided for under applicable legislation.

1.7. Restrictions on voting rights

As required under Article 3 of Decree Law 332 of 31 May 1994 (ratified with amendments with Law 474 of 30 July 1994), ENAV's Articles of Association impose a limit on share ownership that produces gives the holding an equity interest of more than 5% of ENAV's share capital. This provision does not apply to the interest held by the MEF, by public entities or by entities controlled by the latter.

The limitation does not prohibit holding shares in an amount higher than the specified threshold, but does prohibit the exercise of the administrative rights attaching to the shares held in excess of the maximum limit of 5%.

Accordingly, if the maximum shareholding limit is exceeded by several entities/individuals, the voting rights that would accrue to each party subject to the limitation on the interest they hold will be reduced proportionally, save for prior joint instructions issued by the shareholders involved.

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

The aforementioned limit of 5% will lapse if it is exceeded as a result of the public tender offer provided that the offeror will hold, following the tender, an interest of at least 75% of the share capital with voting rights in connection with resolutions concerning the appointment or removal of the members of the Board of Directors or of the management or supervisory board.

1.8. Shareholder agreements

As of the date of this Report there is no knowledge of the existence of shareholder agreements pursuant to Article 122 of the Consolidated Law.

1.9. Change-of-control clauses in significant agreements and provisions of the Articles of Association regarding public tender offers

ENAV has been granted a number of bank loans and issued a bond in a private placement that allow the counterparty to terminate the contract in advance in the event of a change of control involving the Company.

For more information on these agreement, readers are invited to consult the Annual Financial Report 2019, note 40 "Managing financial risk" of the notes to the consolidated financial statements, which is published on the Company's website.

Passivity rule and neutralisation rules

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

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

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

As of the date of this Report, the Company holds 1,200,000 treasury shares, equal to 0.22151% of share capital.

These shares have been purchased in accordance with the shareholder authorisation passed in 2018 and on the basis of a Board of Directors resolution of 31 May 2018 in execution of the 2017-2019 Performance Share Plan, as described in the information document prepared in accordance with Article 84-*bis* of the Issuers Regulation and approved at the Shareholders' Meeting of 28 April 2017.

In conjunction with the Shareholders' Meeting called to approve the financial report for the year, shareholders will be called upon to authorise the purchase and use of up to 1,200,000 treasury shares aimed, among other things, at implementing the Company's remuneration policies in compliance with obligations deriving from the 2020-2022 Performance Share Long-term Incentives Plan referred to in the information document prepared in accordance with Article 84-*bis* of the Issuers Regulation and as approved by the shareholders.

1.11. Management and coordination activities

ENAV is not subject to the management and coordination of the MEF pursuant to Article 2497 of the Italian Civil Code, as provided for in Article 19, paragraph 6, of Decree Law 78 of 1 July 2009 (ratified with Law 102 of 3 August 2009), which specified that the rules set out in the Italian Civil Code regarding the management and coordination of companies do not apply to the Italian State.

1.12. Indemnities payable to directors in the event of resignation, dismissal or termination of office following a public tender

For information on the indemnities payable to directors and the effects of the termination of office, please see the report on remuneration policy and remuneration paid prepared pursuant to Articles 123-*ter* of the Consolidated Law and 84-*quater* of the Issuers Regulation, published on the Company website www.enav.it, and available through the other means provided for by applicable law.

1.13. Appointment and replacement of directors and amendments of the Articles of Association

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

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

Notwithstanding the above, Article 17 of the Articles of Association gives the Board of Directors the power to approve, among other things, amendments of the Articles of Association that are expressly required by law.

2. COMPLIANCE

ENAV has always believed that aligning corporate governance with Italian and international best practice is essential to achieving the Company's objectives.

ENAV has adopted the national Corporate Governance Code, a tool which enables the Corporate Governance Committee to constantly adapt to best practices encountered by way of research and comparisons with other markets.

The current version of the Corporate Governance Code is available on the website of Borsa Italiana at <https://www.borsaitaliana.it/comitato-corporate-governance/codice/codiceeng2018.en.pdf>.

On 31 January 2020, upon completion of broad-based reform of corporate governance in Italy, the Corporate Governance Committee amended the Corporate Governance Code and published the new version – made up of six sections of principles and recommendations – which will be applicable from 2021 with market disclosure obligations beginning in 2022. Based on principles of flexibility and proportionality in forecasts, the upcoming Code also stands out for how it systematises the issue of sustainability in corporate governance with a new, organic view of the duties of the board of directors, which has been assigned primary responsibility for pursuing the success of the company's sustainability in the interests of its various stakeholders. In the same way, the Corporate Governance Code envisages an integration of sustainability goals in defining strategies and the business plan, in the system of risk management and internal controls, and in remuneration policies. Finally, under the new Corporate Governance Code, opening up the company's long-term objectives to all of its stakeholders, and the necessary compromise that will entail, will promote dialogue with relevant stakeholders, particularly with investors, and institutional investors above all, for which the new Code recommends specific engagement policies.

The Corporate Governance Code is available on the Committee's website at <https://www.borsaitaliana.it/comitato-corporate-governance/codice/2020.pdf>.

The Company is not subject to foreign provisions of law impacting its corporate governance structure.

SECTION II - STRUCTURE OF THE COMPANY'S CORPORATE GOVERNANCE SYSTEM

3. BOARD OF DIRECTORS

3.1. Composition of the Board of Directors

The Board of Directors is the central body of the corporate governance system and is vested with the broadest powers for the ordinary and extraordinary management of the Company. The Articles of Association establish that ENAV is managed by a Board of Directors composed of no fewer than five and no more than nine members and designates the Shareholders' Meeting as the body responsible for determining such number within that range.

The members of the Board of Directors shall remain in office for a period not exceeding three years, which expires on the date of the Shareholders' Meeting called to approve the financial statements for the last year of their term.

The Board of Directors in charge at the date of this Report is made up of nine members, appointed by the Shareholders' Meeting of 28 April 2017, with the additions provided for the Shareholders' Meeting resolution of 26 April 2019.

In particular, Shareholders' Meeting held on 28 April 2017:

- set the number of members on the Board of Directors at nine, rather than seven as in the previous term;
- appointed the Board of Directors, in the persons of Roberto Scaramella, Roberta Neri, Giuseppe Acierno, Maria Teresa Di Matteo, Nicola Maione, Fabiola Mascardi, Carlo Paris, Antonio Santi and Mario Vinzia; more specifically, Roberto Scaramella, Roberta Neri, Giuseppe Acierno, Maria Teresa Di Matteo, Nicola Maione and Mario Vinzia were elected from the slate submitted by the shareholder MEF, while Fabiola Mascardi, Carlo Paris and Antonio Santi were elected from the slate submitted by institutional investors;
- appointed Roberto Scaramella as Chairman of the Board of Directors;
- set the term of office at three years, until the date of the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2019.

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

On 8 November 2018 Roberto Scaramella resigned from his position as director and Chairman of the Board of Directors of the Company. On the same date, the Board of Directors - having regard to the provisions of Article 14 of the Articles of Association and Article 2380-bis, fifth paragraph, of the Italian Civil Code, and taking account of the major role of the Chairman in the corporate governance system - appointed the director Nicola Maione as Chairman of the Board of Directors, and began preparations for re-establishing the authorised number of directors.

The Shareholders' Meeting held on 26 April 2019 then ratified the appointment of Director Nicola Maione as Chairman of the Board of Directors, as per the resolution of the Board of 8 November 2018 and re-established the Board with the appointment of a director in the person of Pietro Bracco.

The following table provides highlight of the membership of the serving Board of Directors, noting, among other things, the slates from which the Directors meeting the independence requirements established under the Consolidated Law and the Corporate Governance Code were drawn:

DIRECTOR	OFFICE	ROLE	Independence	M/m
Nicola Maione	Chairman	Non-executive	Consolidated Law	M
Roberta Neri	Chief Executive Officer	Executive	N.A.	M
Giuseppe Acierno	Director	Non-executive	Consolidated Law/Corporate Governance Code	M
Pietro Bracco	Director	Non-executive	Consolidated Law/Corporate Governance Code	M ⁷
Maria Teresa Di Matteo	Director	Non-executive	-	M
Fabiola Mascardi	Director	Non-executive	Consolidated Law/Corporate Governance Code	m
Carlo Paris	Director	Non-executive	Consolidated Law/Corporate Governance Code	m
Antonio Santi	Director	Non-executive	Consolidated Law/Corporate Governance Code	m
Mario Vinzia	Director	Non-executive	-	M

M: Majority slate; **m:** minority slate

Taking account of the re-established Board with the appointment of a new director meeting the independence requirements provided for in law and the Corporate Governance Code, on 15 May 2019 the Board of Directors reorganised corporate governance, with particular reference to the composition of the Board committees, all chaired and composed mainly of independent directors, as summarized in the table below.

Membership of internal Board committees

Control, Risks and Related Parties Committee	
Antonio Santi	Chairman
Fabiola Mascardi	Member
Mario Vinzia	Member

⁷ Bearing in mind the last paragraph of Article 11.bis.3, which states “The slate vote procedure is applied only in the event of the renewal of the entire Board of Directors” and Article 11.bis.4 of the Articles of Association, which in turn refers to the provisions of Article 2386 of the Civil Code concerning the replacement of directors, the 2019 Shareholders’ Meeting appointed a director in the person of Pietro Bracco on the basis of a proposal submitted by the Ministry for the Economy and Finance, the controlling shareholder.

Remuneration and Appointments Committee	
Giuseppe Acierno	Chairman
Pietro Bracco	Member
Maria Teresa Di Matteo	Member

Sustainability Committee	
Carlo Paris	Chairman
Pietro Bracco	Member
Fabiola Mascardi	Member

As of the date of this Report, 5 ENAV Directors out of 9 qualify as independent in accordance with the provisions of both the Consolidated Law and the Corporate Governance Code. The composition of the Board of Directors complies with regulations governing gender balance in force at the date of appointment.⁸

The following is a summary of the personal and professional background of the individual members of the Board of Directors.

Nicola Maione



Role: Chairman

Slate: majority

Participation in committees: Chairman of the Control, Risks and Related Parties Committee

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

Nicola Maione, a graduate in Law from the University of Rome “La Sapienza”, is an attorney qualified to argue before the Court of Cassation (*Corte di Cassazione*). He has extensive academic experience in civil and commercial law and is the author of numerous publications. He held positions as bankruptcy trustee, government commissioner and liquidator of cooperatives, judicial commissioner under Legislative Decree 270 of 8 July 1999 and member, as an expert, of the Supervisory Committee of the Bernardi Group S.p.A, of Go Kids S.r.l. and Nuova Sofia S.r.l. under

⁸ As more fully discussed below (see section 3.2 in particular), gender balance legislation was recently amended with the adoption of a new allotment criterion, under which two-fifths of the positions on the management and oversight bodies shall be reserved for the less represented gender.

Special Administration bankruptcy proceeding. He has been a legal advisor in significant corporate restructuring operations, bankruptcy proceedings and for corporate groups in special administration. He has also been Chairman of the supervisory body of a leading financial company. Formerly director of Milano Assicurazioni S.p.A. and Prelios Credit Servicing S.p.A., as of December 2017 he has been a member of the Board of Directors of Banca Monte dei Paschi di Siena S.p.A. As of July 2018, he has also been a member of the Council of the Italian Banking Association.

Since 19 September 2014 he has been member of the ENAV Board of Directors. Formerly a member of the ENAV Remuneration and Appointments Committee and the Control, Risks and Related Parties Committee, of which is was also Chairman, since 8 November 2018 he has been the Chairman of ENAV's Board of Directors.

Roberta Neri



Role: Chief Executive Officer

Slate: majority

Participation in committees: N/A

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

Already Chief Executive Officer of ENAV since June 2015, Roberta Neri was re-elected to that office for the current term.

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

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

While with ACEA S.p.A., she was member of the boards of directors of Acea Ato 2 S.p.A., Pubblacqua S.p.A., Aceaelectrabel S.p.A., Aceaelectrabel Produzione S.p.A. and Aceaelectrabel Trading and Tirreno Power. Since 2009, she has been member of the Board of Directors of Manesa S.r.l. (which was subsequently merged into Byom S.r.l.), which provides technical/financial and co-investment advisory services to financial and industrial investors for structured transactions, initially as Chairman and Chief Executive Officer and, as of 2015, as director. As of 23 April 2015 to April 2017 she was a member of the board of directors, chairman of the control and risks committee and member of the related party transactions committee and of the appointments and remuneration committee of Acea S.p.A. She was director of Sorgenia S.p.A. from May 2015 to April 2018. Until 1 September 2015, she was member of the board of directors and member of the related parties committee and of the control, risks and corporate governance committee of Autostrade Meridionali S.p.A. Since April 2017 she has been a member of the board of directors of Cementir Holding S.p.A. Since February 2019, she has been a member of the Advisory Industrial Board of Asterion Industrial Partners, an infrastructure investment fund. Since August 2015, she has been the Chairman of the Board of Directors of the ENAV subsidiary Techno Sky and starting as of July 2017 member the board of directors of Aireon LLP, an investee of ENAV.

Giuseppe Acierno



Role: Independent non-executive director

Slate: majority

Participation in committees: Chairman of the Remuneration and Appointments Committee

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

Giuseppe Acierno, a graduate in Law, has held numerous public posts and management positions in leading Italian companies. Since February 2009 he has been the President of Distretto Tecnologico Aerospaziale DTA S.c.ar.l.

He is also Chairman of the Puglia aerospace manufacturing district since 2008 and member of the governing body of the ITS Aerospace Puglia Foundation since 2009. Since 2013, he has been member of the governing body of the national aerospace technology cluster. Since 2014 he has been member of the remote-control aircraft technical working group. Since 2016 he has also been President of the infrastructure section of the 2016-2025 strategic tourism plan of the Puglia region. Until January 2017 he was Chief Executive Officer of the four Puglia airports. His past professional experience also includes: President of the national aerospace technology cluster (2012-2013) and a member of the Advisory Board of the "ITS Aerospace Puglia" Foundation (2011-2013); director of Cittadella della Ricerca S.c.p.a. with responsibilities as head of development and external relations (2008-2011); manager with the provincial government of Brindisi with responsibilities as chief of staff (2004-2008); manager with the provincial police of Brindisi (2008); director of IPRES - Apulia Economic and Social Research Institute (2008-2009); URPP associate (Regional Union of the Provinces of Puglia) (2004 – 2008); President CTS For Fly - human resources training at the Alenia Grottaglie facility (2007 – 2008); member of the Technical Committee of the Puglia Region-Finmeccanica framework agreement (2005 – 2008); Secretary of the bureau of the permanent consultation forum between the provinces of Brindisi, Lecce and Taranto (2006); head of external relations – assistant to the President – general affairs manager Pastis CNRSM Institute (2001-2004).

Since 28 April 2017 he has been a member of the Board of Directors of ENAV S.p.A., former Chairman of the Sustainability Committee and member of the Board's Remuneration and Appointments Committee which he currently chairs.

Pietro Bracco



Role: Independent non-executive director

List: majority⁹

Participation in committees: Member of the Remuneration & Appointments Committee and of the Sustainability Committee

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

Pietro Bracco, a graduate in Business Economics at the Università di Torino in 1998. He continued his studies achieving an International Tax Law PhD at the Università di Genova.

He performs his professional activity at leading Italian and international law firms in Turin, Milan, Paris, Amsterdam and Rome. After being a partner in the tax law firms Fantozzi & Associati from 2011 to 2013 and Miccinesi & Associati in 2014, as of 1 January 2015 he is founding and name partner of the tax law firm Puri, Bracco, Lenzi & Associati.

⁹ It should be noted that the appointment of Pietro Bracco to the Board was approved by the shareholders in 2019 on the basis of a proposal submitted by the Ministry for the Economy and Finance, the controlling shareholder, in application of legislation and Articles of Association concerning the replacement of directors, with particular regard to the last paragraph of Article 11.bis.3 and Article 11.bis.4 of the Articles of Association and Article 2386 of the Civil Code.

He provides dispute-resolution and other tax advisory services to multinational corporations and major Italian consortia.

He is the author of numerous publications and teaches tax law for leading specialist programmes in both tax law and the energy industry. He has also been a featured speaker at many conferences. He has been an adjunct professor in international and Italian tax law at the University of Turin's School of Economics and at the University of Malta's Link Campus. He has also been an adjunct professor at LUISS Business School.

He is a member of the following bodies: IFA; Customs and Excise Commission of the Rome Association of Certified Accountants; and the Assogas fiscal working group. He is the chairman of the boards of auditors of Erogasmet S.p.A. and Iberdrola Italia S.r.l. and is a member of the board of auditors of Jaguar Land Rover Italia S.p.A.

He has been a member of the ENAV S.p.A. Board of Directors since 26 April 2019 and is currently member of the Remuneration and Appointments Committee and the Sustainability Committee.

Maria Teresa di Matteo



Rome: Non-executive director

Slate: majority

Participation in committees: Member of the Remuneration and Appointments Committee

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

Maria Teresa Di Matteo, a graduate in Law from the University of Rome "La Sapienza", gained professional experience in local railroads, contracts for the transfer of functions to local entities and the operation of local administrative offices. As administrative manager, she managed the office supporting the Department Head for land transport from 2003, handling, among other things, financial management duties, organisation and management of human resources. Since November 2011, she has been Deputy Chief of Staff of the Ministry of Transport and Infrastructure for issues concerning the transport sector. On 5 July 2012, she was appointed general manager with consulting and research duties at the Department of Transportation, Navigation and Information and Statistics Systems and, on 7 November 2014, she was appointed general manager of the central committee of the National Hauliers Association (*Albo nazionale degli Autotrasportatori*), a position she continues to hold. She was director of the board of directors of the Italian State Railways (*Ferrovie dello Stato*), from 9 August 2012 until 29 May 2014.

Since 19 September 2014 she has been member of the Board of Directors of ENAV and until 30 June 2015 she was Chairman of the ENAV Board. Formerly member of the ENAV Remuneration Committee until July 2016, since 4 May 2017 she has been member of the Remuneration and Appointments Committee.

Fabiola Mascardi



Role: Independent non-executive director

Slate: minority

Participation in committees: Member of the Control, Risks & Related Parties Committee and the Sustainability Committee

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

A graduate in Law with a published thesis, a PhD in International Law, Fabiola Mascardi speaks English, French, Spanish and German, in addition to Italian. Since May 2019, she has been member of the board of directors of ASTM, an infrastructure construction and management company and

the world's second largest toll-road management company, and member of the Sustainability Committee, which she chairs. Since June 2018, she has been a member of the board of directors and the remuneration committee of Ansaldo Energia S.p.A., a manufacturer of gas and steam turbines and large-scale generators. Furthermore, she is a consultant in the fields of communication, international relations, and industrial development. She is also a member of the executive committee of the Teatro Carlo Felice opera house. In 1986, she began teaching at various European universities, including for Bocconi University's master's programme in International Economics and Management, for the University of Genoa's School of Engineering with a focus on management, and she has been a professor of Transportation Law & Policy within the scope of the master's programme in Market Regulation & Anti-Trust at the University of Rome Tor Vergata.

As Administrator at the Court of Justice of the European Union and the European Commission from 1992 to 2003, she was member of the task force on mergers, of the European Commission legal service, of the cabinet of the Monti Commission, and of the cabinet of Vice-President of the Loyola de Palacio Commission, where she was responsible for European transportation policy. She was responsible for EU relations at the Finmeccanica Group (now Leonardo) from 2003 to 2006. From 2006 to 2012, she was Director of External Relations for Ansaldo Energia. Since 12 February 2020 she has been director of ASTM S.p.A.

She has been member of the ENAV Board of Directors since 28 April 2017. Former member of the Remuneration and Appointments Committee, she is now member of the Sustainability Committee and the Control, Risks and Related Parties Committee.

Carlo Paris



Role: Independent non-executive director

Slate: minority

Participation in committees: Chairman of the Sustainability Committee

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

A graduate in Mechanical Engineering from the University of Rome "La Sapienza" and he holds a Master's in Business Administration from the American University in Washington DC; an Executive Master's in Social Entrepreneurship and a Master's in the administration of non-profit entities from the Università Cattolica of Milan. He also has a Master's in Professional Coaching, Finance, Corporate Governance and Sustainability, plus numerous courses of communication, neurolinguistic programming, counselling etc.

In 1984, he was economic advisor at the U.S. Department of the Interior on issues concerning imports of coal into the United States from Colombia. From 1985 to 2003, he held numerous positions in The Chase Manhattan Bank, in the Banca Nazionale del Lavoro Group and the UniCredit Group. At Chase, he began his career in finance, moving between Rome and London, specialising in financial and credit analysis, corporate finance and private equity. At BNL, he handled merchant banking and foreign holdings, financial and organisational analysis and internal auditing in Germany, Canada, Argentina, Brazil, India and Luxembourg. At UniCredit, he worked in Corporate Finance at UBM Bank; Head of Private Equity at UniCredit Imprese; General Manager of Credit Merchant and member of the Board of Directors in various investment holdings. He was advisor at Vegagest Sgr for private equity fund management; founder and CEO of Paris & Partners, specialising in internationalisation; founder and CEO of Argy Venture Capital and co-founder with UniCredit of Aurora Private Equity S.A., a closed-end fund for start-ups, for which he also served as an advisor. He was founder, advisor and director of Metis Lavoro Interinale S.p.A., which was later listed on the stock exchange as Openjobmetis S.p.A.

From December 2017 to December 2018, he was Chairman of the Board of Directors of Cantieri Generali S.p.A. From January 2015 to May 2017, he was Chief Executive Officer and director on the board of Investimenti S.p.A. (the parent company of Fiera di Roma).

Since April 2018, he has been a member of the Board of Directors of Banca FarmaFactoring S.p.A., as well as Chairman of the Committee for Assessing Related Party Transactions

Since 28 April 2017 he has been a member of the Board of Directors of ENAV. Formerly Chairman of the Remuneration and Appointments Committee, he is currently member of the Sustainability Committee, which he now chairs.

Antonio Santi



Role: Independent non-executive director

Slate: minority

Participation in committees: Chairman of the Control, Risks and Related Parties Committee

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

A graduate in Business and Economics from the University of Rome “La Sapienza”, with a PhD in Business Administration granted in 2009 by the Università degli Studi Roma Tre, since December 2006 he has been a member of the Order of Certified Accountants and since April 2007 has entered in the Register of Auditors.

He provides consulting services in a range of areas, including the valuation of companies and business units (in both the public and private sectors), the preparation of business plans and restructuring plans. During his professional career he has developed substantial expertise in account auditing and oversight by corporate oversight bodies.

He is a member of the board of auditors and independent auditor for companies operating in various sectors: he is independent auditor of the Italian Olympic Committee, chairman of the board of auditors of Recordati S.p.A., a company listed on the Italian Stock Exchange, and of Acea Produzione S.p.A. He is a standing auditor for, among others, Rothschild & Co Wealth Management Italy SIM.

Since 28 April 2017 he has been member of the Board of Directors of ENAV S.p.A. and he is the Chairman of the Control, Risks and Related Parties Committee.

Mario Vinzia



Role: Non-executive director

List: majority

Participation in committees: member of the Control, Risks & Related Parties Committee

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

Vinzia is a graduate in Business Administration at the Bocconi University of Milan.

He is professor in the Accounting, Control, Corporate and Real Estate Finance Department at the SDA School of Management at Bocconi University, where since 1988 he has been teaching on risk management, corporate finance, sustainability, internationalisation and foreign trade, financial planning, company valuation, real estate and IAS/IFRS matters.

He is the author of numerous books, publications and studies on financial administration and control matters.

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

He was also member of the board of directors of 24 ORE International S.A.

Since 2003 he has provided consulting services in civil and penal proceedings involving derivatives and more generally involving financial instruments.

He is a consultant in risk management and the application of international accounting standards.

He has been member of the Board of Directors of ENAV since 29 April 2016. Already member of the Control, Risks and Related Parties Committee of ENAV in the previous term of the Board, he was reappointed to that Committee on 4 May 2017.

3.2. Appointment and replacement

Directors must meet the integrity and professionalism requirements established in law and regulations, and in Article 11-bis.1 of the Articles of Association.

Directors are appointed by the Shareholders' Meeting based on slates presented by the shareholders, in which the candidates must be listed using consecutive numbers. On penalty of inadmissibility, slates shall be drawn up and filed at the Company's registered office and published in compliance with the applicable provisions of law and with these Articles of Association.

Only shareholders who alone or together with other shareholders represent at least 2.5% of the share capital or any other amount established by Consob through its own regulation, which was equal in 2020 to 1% of ENAV share capital (see Decision no. 28 of 30 January 2020 of the head of the Corporate Governance Division of Consob), are entitled to submit slates. Each slate must include at least two candidates meeting the independence requirements, who must be mentioned separately and one of whom must be placed at the top of the slate. According to Article 11.bis.3 of the Articles of Association, slates with a number of candidates equal to or greater than three must include candidates of a different gender, as indicated in the notice of call to the Shareholders' Meeting, so as to ensure that the composition of the Board of Directors is compliant with the applicable laws on gender balance.

In this regard, it should be noted that Article 147-ter of the Consolidated Law, as amended by Law 160 of 27 December 2019, establishes that directors shall be appointed so as to ensure gender balance such that the less represented gender should hold at least two-fifths of the positions on the management body. These new rules shall apply for six consecutive terms. Having regard to the provisions of Article 144-undecies.1, paragraph 3, of the Issuers Regulation,¹⁰ the ENAV Board of Directors, should its composition of nine members be confirmed, would have four directors from the less represented gender.

For the purpose of nominating candidates to the position of ENAV director, each shareholder may present and participate in the submission of only one slate. Shareholders in parent companies, subsidiaries or companies subject to joint control may not present, participate in the submission of or vote for other slates, including through a third party or a trust company, subsidiaries being the companies indicated under Article 93 of the Consolidated Law in its current or any amended or replacement formulation. Each candidate may be present on one slate only or lose eligibility for election. The curriculum vitae of each candidate must be submitted together with each slate, upon penalty of inadmissibility, as must the statements with which the individual candidates accept their candidacy and certify, under their own responsibility, that there are no causes for ineligibility or incompatibility, and that they meet the integrity, professionalism and independence requirements prescribed by the applicable laws for their respective offices. Appointed directors must notify the Board of Directors without delay if they no longer meet any of these requirements, as well as any supervening causes of ineligibility or incompatibility. Each person entitled to vote may vote for only one slate.

If during the year, one or more directors are no longer present, the provisions of Article 2386 of the Italian Civil Code shall apply. If one or more of the departing directors was drawn from a slate containing names of candidates that were not elected, replacement will take place by appointing, according to the consecutive order, persons from the slate that the departing director was listed on and who are in at that time eligible and available to accept the office. In any case the replacement of departing directors will be performed by the Board of Directors, which will ensure the presence of the necessary number of directors that meet the independence requirements and ensure compliance with the applicable laws on gender balance. If the majority of directors appointed by the Shareholders' Meeting no longer holds, the entire Board shall resign and a Shareholders' Meeting shall be called immediately by the remaining directors to restore the Board.

¹⁰ In accordance with this provision: "Should application of the gender allocation criterion not result in a whole number of members of the management or oversight bodies from the less represented gender, that number shall to be rounded up to the nearest whole number."

3.3. Integrity and professionalism requirements and reasons for ineligibility and incompatibility of directors

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

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

- 1) Directors must be selected in accordance with criteria of professionalism and expertise from persons who have experience of at least three years in:
 - a) activities involving administration or control or management within companies,
 - b) professional activities or the teaching of legal, economic, financial or technical - scientific subjects at university level, or other subjects that are relevant or in any case functional to the operations of the Company; or
 - c) administrative or management functions in government entities or departments, operating in sectors related to the Company's sector, or entities or departments that are not related to the aforementioned sectors provided the functions involve the management of financial resources.
- 2) the Board of Directors shall provide guidelines, including through the issuance of appropriate board regulations, in accordance with the principles and criteria established by the Corporate Governance Code, regarding the maximum number of offices a director may hold in other companies that is considered compatible with the effective performance of the position of director within the Company.
- 3) a Director shall be considered ineligible or shall forfeit his or her office for just cause, without being entitled to indemnification, in the event he is convicted, even if not definitively, save for the effects of rehabilitation, for any of the crimes envisaged:
 - a) under the laws governing banking, financial, securities and insurance operations and the laws on markets and securities and payment instruments;
 - b) under Title XI of Book V of the Italian Civil Code and Royal Decree 267 of 16 March 1942;
 - c) under provisions punishing criminal offences committed against the public administration, the public faith, property, public order, the public economy or tax offences;
 - d) under Article 51, paragraph 3-bis, of the Code of Criminal Procedure and Article 73 of the Decree of the President of the Republic no. 309 of 9 October 1990.

Directors shall also be considered ineligible if they are committed for trial or ordered for immediate trial for any of the crimes set forth in the section above under letters a), b), c) and d), unless acquitted even under a non-definitive ruling, or if a definitive ruling is issued ascertaining the wilful commission of an offence to the detriment of the Treasury.

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

If the verification is positive, the director shall be removed from office for just cause, without being entitled to indemnification except if the Board of Directors, within the above-mentioned ten days, convenes a Shareholders' Meeting, to be held within the subsequent sixty days, in order to submit to such meeting a proposal that the director be retained in office, supporting such proposal on the grounds that retaining such director in office is in the overriding interest of the Company. If verification by the Board of Directors is carried out after the end of the financial year, then the

proposal shall be submitted to the Shareholders' Meeting called to approve the relative financial statements, subject to compliance with the time limits set forth in applicable law.

If the Shareholders' Meeting does not approve the proposal of the Board of Directors, the director shall forfeit his office with immediate effect for just cause, without being entitled to indemnification. Without prejudice to the foregoing, a Chief Executive Officer who is subject to: (a) incarceration or (b) pre-trial detention or house arrest, upon the outcome of the procedure envisaged under Article 309 or Article 311, paragraph 2 of the Code of Criminal Procedure, or after the associated time limits for establishment, shall forfeit his office for just cause, without being entitled to indemnification, and with the concurrent termination of all powers conferred upon him. Similarly, the Chief Executive Officer shall forfeit office if he is subject to any other type of personal pre-trial restriction that can no longer be appealed, if such measure is considered by the Board of Directors such as to render the execution of the powers conferred impossible.

For the purposes of the application of the aforementioned provisions of the Articles of Association, a plea agreement entered into pursuant to Article 444 of the Italian Code of Criminal Procedure is deemed equivalent to a conviction, unless the offence is extinguished. Accordingly, the Board of Directors shall ascertain the existence of the situations provided for herein, with reference to the cases which are regulated in whole or in part by foreign jurisdiction, based on an evaluation of essential equivalence.

3.4. Succession plans and advice of the Board of Directors in accordance with Application Criterion 1.C.1, letter h) of the Corporate Governance Code.

During this term the Company's Board of Directors, at the recommendation of the Remuneration and Appointments Committee and consistent with the resolution adopted by the interim management body, resolved not to adopt a succession plan for executive directors for reasons connected with the shareholding structure and because, pursuant to law and the Articles of Association, directors are appointed by the Shareholders' Meeting based on slates presented by the shareholders. The Board of Directors, acting on a proposal of the Remuneration and Appointments Committee, resolved to adopt a contingency plan governing the steps to be undertaken in the event of the termination of the Chief Executive Officer's service before the ordinary expiry of his term, or in the event of unforeseen and unforeseeable events that prevent the Chief Executive Officer – who is the sole executive director of ENAV – to perform his duties in order to ensure the continuity in the regular management and operations of the Company, pending appointment of a new Chief Executive Officer.

The Company prepares and updates succession plans for managers with strategic responsibilities in order to ensure the maximum continuity and sustainability of operations in the long term.

In compliance with the recommendations of Application Criterion 1.C.1, letter h, of the Corporate Governance Code, on 18 February 2020 and taking account of the outcome of the three-year self-assessment conducted and having obtained the opinion of the Remuneration and Appointments Committee, the Board of Directors has developed advice on the future size and composition of the Board for submission to shareholders in conjunction with the upcoming election of the Board. These guidelines have been published in the Governance section of the ENAV website. In addition to indicating the professional background and managerial qualifications that are deemed most suited to serving on the ENAV Board of Directors, this document includes certain general recommendations for shareholders. These recommendations, which are founded on an analysis of the expected benefits of a composition of the Board of Directors that, with a view to promoting diversity among the directors, has members of different genders, ages and seniority and an with appropriate diversification of professional backgrounds, place particular emphasis on the following: (i) experience in the air transport, infrastructure or transport sectors, gained at the executive level (chief executive officer or other senior positions in business or operations functions) or, alternatively, in academia or government service; (ii) experience in the legal field, with particular regard to national and international contracts and experience of major corporate transactions, in relation to the opportunities for external business development; (iii) expertise in sustainability and social responsibility issues; (iv) experience in risk management and control systems, with management, accounting and financial expertise; and (v) multi-year experience in corporate

governance issues gained on the corporate bodies of listed companies, possibly operating in regulated industries.

3.5. Diversity policies and criteria

During the Financial year - confirming practices previously reported and the results of the three-year board evaluation process and in accordance with Principles 2.P.4 and 8.P.2 of the Corporate Governance Code - the Board of Directors approved the diversity policy concerning the composition of the board of directors and board of auditors. The policy, which has been published on the Company's website and is referenced in this report in accordance with Article 123-bis, paragraph 2, letter d-bis, includes certain guidelines aimed at ensuring the broadest and most congruous diversity in points of view within corporate governance, with particular regard to the training and experience of the members of the board of directors and board of auditors, while also calling for processes for monitoring application of the policy.

The policy has been drafted taking account of the nature and complexity of the Company's business, of the social context within which the Company operates, of the experience of the Board in relation to its activities and functioning, including with regard to the committees within the Board, as has emerged, in particular, from the self-assessment process conducted over the years.

The policy is particularly intended for those involved in the process of selecting and appointing members of the corporate bodies – i.e. shareholders when appointing the members of the Board of Directors and Board of Auditors, including the presentation of slates; the Board of Directors and the shareholders, within the scope of their respective duties, in the event it becomes necessary to replace directors mid-term in accordance with Article 2386 of the Italian Civil Code.

Without prejudice to the requirements of professionalism, integrity and independence, as well as the conditions of incompatibility and/or forfeiture defined by law, regulations and by the Company's Articles of Association, the policy seeks to ensure an adequate presence on the Board of Directors and the Board of Auditors of a diverse, complementary range of skill and experience in order to promote dialogue and the efficient functioning of these bodies, with particular regard to:

- experience in the air transport, infrastructure or transport sectors, gained at the executive level (chief executive officer or other senior positions in business or operations functions) or, alternatively, in academia or government service;
- experience in the legal field, with particular regard to national and international contracts and experience of major corporate transactions, in relation to the opportunities for external business development;
- expertise in sustainability and social responsibility issues;
- experience in risk management and control systems, with management, accounting and financial expertise;
- multi-year experience in corporate governance issues gained on the corporate bodies of listed companies, possibly operating in regulated industries, so as to be able to enrich the ENAV Board with specific skills.

In referencing the provisions of law, regulations and the Articles of Association concerning gender balance, the policy establishes further diversity criteria and recommends the presence on the corporate bodies of persons with significant professional experience gained abroad and/or in major positions in companies with a high level of international exposure. The policy also recommends ensuring balance between experience, chronological age and tenure in office, and prioritising continuity on the basis of appropriate assessments of individual commitment to Board work.

Finally, taking account of the specific selection criteria required for members of the oversight body, the policy seeks to ensure that those to whom the policy is addressed will take account of any additional facets of diversity that may facilitate the profitable contribution of the oversight body to corporate governance.

3.6. Maximum number of positions held in other companies

Directors of ENAV accept the appointment and remain in office for as long as they believe they can dedicate the necessary time to diligently perform their duties, taking account of both their commitment associated with the work-related and professional activities and the number and nature of the offices they may hold on the management and oversight bodies of listed companies and companies that operate in the financial, banking and insurance sectors or in companies of significant size.

To this end, the Board of Directors issued its guidance on this issue in a policy – available in the “Governance” section of the website www.enav.it specifying the maximum number of positions as director or member of the board of auditors that is considered to be compatible with the efficient and diligent performance of the office of director with this Company.

In accordance with the recommendations of the Corporate Governance Code, this policy considers as significant for this purpose only positions held on the management and oversight bodies of the following types of companies (“significant companies”):

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

In compliance with the recommendation of the Corporate Governance Code, the overboarding policy adopted by the Board of Directors specifies the limits on the number of positions that can be held at the same time (measured through a system of specific “weightings” for each type of office), which differ depending on (i) the commitment associated with the position held by each party on the Board of Directors of ENAV or and on the management and oversight bodies of significant companies; and (ii) the nature of the companies with which the other positions are held, excluding from this calculation offices held in direct or indirect subsidiaries or associates of ENAV.

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

The Board of Directors of ENAV may grant reasoned exemptions to the above limits, taking due account of the characteristics and complexity of the position.

As of the date of this Report, based on notifications provided by the directors of the Company, as periodically verified by the Board of Directors, most recently in the meetings of 11 March 2019, when this assessment concerned the entire Board, which was, at the time, composed of eight members, and of 15 May 2019, when the assessment of Pietro Bracco – appointed to the ENAV Board of Directors by the shareholders in 2019 – was successfully completed, the number of offices currently held by the directors of ENAV on the management and oversight bodies of significant companies is compatible with the limits set by this policy.

3.7. Induction programme

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

With the aim of strengthening the expertise and professionalism of the members of the administration and oversight bodies, Application Criterion 2.C.2 of the Corporate Governance Code provides that “The chairman of the Board of Directors shall use his best efforts to allow the directors and the statutory auditors, after the election and during their mandate, to participate, in the ways deemed appropriate, in initiatives aimed at providing them with an adequate knowledge of the business sector where the issuer operates, of the corporate dynamics and the relevant evolutions, of the principles of proper risk-management as well as the relevant regulatory and self-regulatory framework.”

The competence of directors is not limited to their professional profile, but rather requires attention and constant updating in response to developments in the broad framework of the activity of the enterprise, not only with regard to the business in the narrow sense, but also with regard to developments in the related legislative, regulatory and corporate governance framework,¹¹ with the primary objective of constantly enhancing the expertise and professionalism of each director.

During the Financial year, a strategy session was held on 25 January. On 28 June 2019, an induction session concerning the efforts of the Operations and Technology units was held; this was followed by an inspection of the ENAV technology centre of the Rome ACC.

On 25 September 2019, a training session regarding the new models of corporate governance was held at the Sapienza University of Rome.

On 22 October, the Board of Directors received an update on corporate governance, specifically as concerned implementation of the Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 (SHRD II) and corporate governance code reform, issues that were then discussed further in specific induction sessions held on 21 November and 16 December 2019.

Sustainability Day was held on 26 November 2019. For this event, the various sustainability projects undertaken by the Group over the last year were discussed.

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

3.8. The Role of the Board of Directors

The Board of Directors has a central role in the governance of the Company, as it holds the powers to determine the Company's policies and strategies, its general organisational structure and strategic agreements that go beyond normal operations.

Under the provisions of the Articles of Association, the management of the Company is conducted by the directors, who take whatever necessary actions to achieve the corporate purpose.

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

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

In addition to the duties assigned to it by law and the Articles of Association, the Board of Directors has exclusive responsibility for the most significant strategic and financial transactions of the Company and the Group. On 4 May 2017, the Board of Directors voted to reserve to the Board itself all decisions involving:

- a) resolutions regarding the policies and strategies of the Company, as well as strategic transactions, including those proposed by the Chief Executive Officer;
- b) the approval, acting on a proposal of the Chief Executive Officer, of the Company's general organisational structure, its budget, the multi-year plan, including the Strategic Plan, the Business Plan, the Investment Plan and the Performance Plan, including with regard to the Group where applicable;
- c) approval of Programme Contracts (*Contratti di Programma*) with government entities;
- d) the formation, merger, demerger and winding up of companies or entities in which ENAV holds an interest; the acquisition or sale of equity investments in companies or entities, businesses or business units;

¹¹ See the 2019 Report on the Corporate Governance of Italian Listed Companies – the Corporate Governance Committee.

- e) the approval of contracts for the procurement of services, supplies and works with a value exceeding €6 million for each annual contract and exceeding €20 million for each long-term contract;
- f) the purchase and sale of real estate, the agreement of lease contracts with a term of more than nine years and the pledging of collateral;
- g) the granting of sureties, the execution of financial transactions, including insurance coverage and hedging of risks, with a value exceeding €60 million;
- h) the award of contracts for consulting and professional services with a value exceeding €100 thousand;
- i) the authorisation to conclude, acting on a proposal of the Chief Executive Officer, contracts for the sale of assets, works and services with a value exceeding €6 million for each annual contract and exceeding €20 million for each long-term contract;
- j) the appointment of the General Manager and the specification of his duties and powers, as well as the termination of the General Manager, after having obtained the opinion of the Chief Executive Officer;
- k) decisions regarding the exercise of shareholder rights inherent in the companies and investee entities and the right to vote in the associated shareholders' meetings, with regard to the major strategic acts under the responsibility of shareholders pursuant to the provisions of law and the articles of association of the investee companies;
- l) the authorisation for subsidiaries to enter into contracts for the procurement of services, supplies and works with a value exceeding €6 million for each annual contract and exceeding €20 million for each long-term contract;
- m) the authorisation to approve settlement agreements in litigation or the abandonment of litigation with a value exceeding €3 million.

On the same date, the Board also resolved to grant the Chief Executive Officer a detailed set of powers, setting out the categories of acts and the value thresholds for those acts.

The Board of Directors also oversees internal control activities.

Having regard to the reservation of Board responsibility for strategic transactions, in application of Application Criterion 1.C.1, letter (f) of the Corporate Governance Code, on 9 August 2017 the Board of Directors approved the *"Procedural guidelines for managing significant transactions"* thus delimiting the scope of such significant transactions and setting out procedural guidelines for examining and approving such transactions.

Significant transactions therefore comprise:

- a) bond issues, including unlisted issues;
- b) transactions that, although falling within the corporate purpose, result in the Company entering a new line of business, i.e. activities distinguished by at least one of the following characteristics: (i) activities associated with the sale of radically different products or services than those already provided, including through the use of significantly innovative technologies; (ii) activities targeted at a different customer category¹² than those currently served. For this purpose, activities of a purely exploratory or preparatory nature are not deemed significant transactions;
- c) operations that require the publication of an information document prepared in accordance with Consob rules;
- d) transactions governed by the risk policies approved by the Board of Directors in cases where, under the terms of these risk policies, the transactions in question, in consideration of their characteristics, fall under the responsibility of the Board of Directors even though other features of such transactions would place them under the responsibility of a delegate.

¹² Customer categories means not just a new individual client but a new type of users.

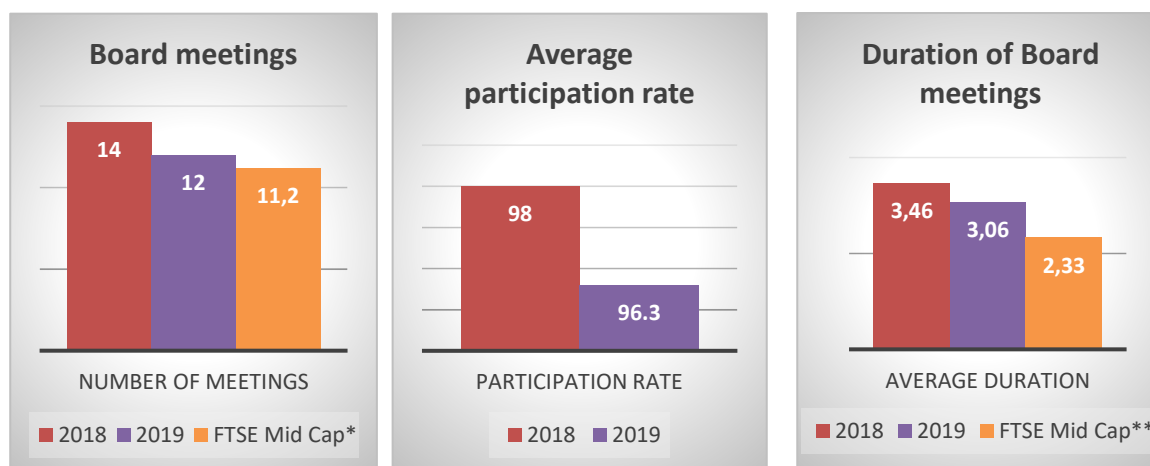
The Board of Directors usually meets once a month and in any case whenever the Chairman considers it appropriate or if requested by the Chief Executive Officer or at least one third of its members or the Board of Auditors. The notice of the meeting, to be sent at least five days before the date set for the meeting, or, in urgent situations, at least 24 hours beforehand, to the domicile of each director and member of the board of auditors, is sent by registered letter, telegram, fax, e-mail or any other appropriate means that provides proof of receipt, and shall contain the date, time and place of the meeting and the agenda.

The supporting information is provided in a timely manner, is accessible and contains all the documentation required to render the directors fully informed on all the issues they are to address. Ordinarily the call, which is always made within the time limits provided for in the Articles of Association, contains all the supporting documentation required, except for rare exceptions due to the need to supplement such documentation, which is always clearly indicated in the notice of call. The documentation concerning the meetings and in any event the topics to be addressed by the Board, is transmitted using electronic systems that ensure maximum access to the documentation while safeguarding the confidentiality of the information it contains.

In 2019, the deadlines provided for in the Articles of Association, or those agreed by the Board members, for the transmission of supporting information were always met.

The Chairman ensures that further analysis of the issues on the agenda is conducted during the Board meetings.

During 2019, the Board of Directors met 12 times. The average duration of the meetings was approximately 3 hours and 5 minutes, with the attendance of 96.3% of the members of the Board of Directors, including 95% of the independent directors. For additional information regarding the attendance of members at the Board of Directors meetings, please see table 2 to attached to the Report.



* Assonime, 2019 Report “Corporate Governance in Italy: self-regulation, remuneration and comply-or-explain”..

Meetings of the Board of Directors were also attended by the managers of the relevant Company departments depending on the issues on the agenda, supporting the Chief Executive Officer in providing further information on the items being discussed. With regard to 2019, the Board of Directors:

- approved, having obtained the opinion of the Control, Risks and Related Parties Committee and consulted the Board of Auditors and of the director in charge of the internal control and risk management system, the Internal Audit Plan and budget for 2019;
- approved the update of the Compliance Model pursuant to Legislative Decree 231/2001;
- conducted Board Evaluation activities with the support of the advisor Spencer Stuart;
- approved, based on a proposal by the Remuneration and Appointments Committee and having heard the opinion of the Board of Auditors, the variable, short-term component of remuneration for the Chief Executive Officer for 2019, as well as the guidelines for variable, short-term remuneration for managers with strategic responsibilities;

- approved the Group Sustainability Report for 2018, including the Statement of Non-Financial Information for 2018 prepared pursuant to Directive 2014/95/EU and Legislative Decree 254/2016;
- assessed the adequacy of organisational, administrative and accounting procedures and the internal control system and the adequacy and effectiveness of the internal control and risk management system;
- examined the periodic report prepared by the head of Internal Audit containing, among other things, an assessment of the internal control and risk management system;
- examined the periodic report prepared by Control, Risks and Related Parties Committee on its activities and the adequacy of the internal control and risk management system;
- verified, with the support of the Remuneration and Appointments Committee, the effective achievement of the Chief Executive Officer's performance objectives for 2018 in connection with the variable component of remuneration;
- authorised the launch of the third and final vesting cycle (2019-2021) of the 2017-2019 Performance Share Plan;
- appointed the Supervisory Body for 2019-2021;
- verified the requirements of independence of the directors in accordance with the law, with the Articles of Association, and with the Corporate Governance Code, confirming that independence has been maintained by: Giuseppe Acierno, Pietro Bracco, Fabiola Mascardi, Carlo Paris, and Antonio Santi;
- authorised the changes to the composition of the Board's committees to take account of the appointment of the new independent director by the shareholders in 2019;
- acknowledged the verification of independence for the members of the Board of Auditors, which confirmed they met the professionalism and integrity requirements;
- authorised the acquisition of the share capital of IDS AirNav S.r.l. The acquisition was completed on 18 July 2019 within the scope of process to consolidate the Group's position as a competitive player in the non-regulated segment of air traffic management services and technologies;
- approved the interim financial report as at 30 June 2019;
- authorised implementation of the model of organisation for the Group's commercial offering;
- examined the findings of a sustainability assessment;
- acknowledged the succession plan for managers with strategic responsibilities;
- approved the Company's budget and Charging Zone 3 terminal charges for 2020;
- approved the calendar of corporate events for 2020;
- approved, having obtained the opinion of the Control, Risks and Related Parties Committee, the Board of Auditors, and the director responsible for the risk management and internal control system, the internal audit plan and the budget for 2020.

For 2020, the Board of Directors has planned 12 meetings, of which three had been held by the date of this Report. At these meetings, the Board:

- approved updates to the commercial guidelines in order to strengthen controls over the Group's activities in the unregulated market;
- conducted, with the support of the advisor Spencer Stuart, the board evaluation activities related to the third year of the term, which included the peer review;
- noted the progress of activities related to the Business Plan and approved the financial plan for subsidiaries;

- approved, having obtained the opinion of the Remuneration and Appointments Committee, the advice for shareholders on the future size and composition of the Board of Directors in accordance with Application Criterion 1.C.1, letter h, of the Corporate Governance Code;
- approved, acting on a proposal by the Remuneration and Appointments Committee and having heard the opinion of the Sustainability Committee, the policy for diversity in the composition of the management body and the oversight body in accordance with principles 2.P.4 and 8.P.2 of the Corporate Governance Code, as reported here in accordance with Article 123-*bis*, paragraph 2, letter d-*bis* of the Consolidated Law;
- approved, having obtained the opinion of the Control, Risks and Related Parties Committee, the 2020 Risk Appetite Statement;
- approved, acting on a proposal of the Remuneration and Appointments Committee and having heard the opinion of the Board of Auditors, the remuneration policy for members of the Board of Directors and the guidelines for the remuneration of managers with strategic responsibilities;
- approved, having obtained the favourable opinion of the Control, Risks and Related Parties Committee and after discussions with the Board of Auditors, the update to the ICRMS guidelines;
- approved, following an assessment by the Sustainability Committee and of the Control, Risks and Related Parties Committee as concerned the related impact on the ICRMS, the Group's Sustainability Report for the year, which includes the consolidated non-financial disclosure in accordance with Directive 2014/95/EU and Legislative Decree 254/2016;
- approved Report on Corporate Governance and Ownership Structure for the year;
- approved, following an assessment by the Remuneration and Appointments Committee, the report on remuneration policy and amounts paid;
- examined the periodic report prepared by the head of Internal Audit, which includes an assessment of the internal control and risk management system;
- examined the periodic report prepared by Control, Risks and Related Parties Committee on its activities and the adequacy of the internal control and risk management system;
- assessed, having obtained the opinion of the Control, Risks and Related Parties Committee and consulted the Board of Auditors and the director in charge of the internal control and risk management system, the adequacy of organisational, administrative and accounting structures and the effectiveness of the internal control and risk management system with respect to the characteristics of the company and its risk profile;
- having obtained the opinion of the Control, Risks and Related Parties Committee, approved the fair value measurement of a foreign shareholding;
- having obtained the opinion of the Control, Risks and Related Parties Committee, approved the results of the impairment testing of equity investments;
- approved the draft separate and consolidated financial statements of ENAV at 31 December 2019;
- voted to call the annual Shareholders' Meeting and granted the associated powers for the reports explaining the items on the agenda;
- verified, with the support of the Remuneration and Appointments Committee, the effective achievement of the Chief Executive Officer's performance objectives for the year in connection with the variable component of remuneration;
- verified, with the support of the Remuneration and Appointments Committee, the effective achievement of the performance objectives for the year of the Chief Executive Officer and other beneficiaries related to the first cycle of vesting (2017-2019) of the 2017-2019 Performance Share Plan;

- appointed, acting on a proposal by the director responsible for the ICRMS together with the Chairman of the Board of Directors, having obtained the favourable opinion of the Control, Risks and Related Parties committee, and having consulted the Board of Auditors, the Internal Audit Officer following the resignation of the individual who previously held the position.

3.9. Board evaluation.

Since the beginning of its term, the Board of Directors has conducted a structured board evaluation process, entrusting the related support activities for the duration of the term to the independent advisor Spencer Stuart, which during 2019 did not perform any other engagement for ENAV.

In line with the provisions of the Corporate Governance Code, and with the help of the aforementioned advisor for coordination efforts, the Board of Directors conducted the self-assessment of the Board and its committees for the year, the third and final of the Board's term, with the goal, in part, to harmonise the Board's efforts and provide the advice of the Board of Directors to the shareholders with regard to the optimal number and characteristics of the Board's composition, as well as to adopt diversity policies for the corporate bodies prior to appointing the new Board.

The self-assessment was conducted by way of interviews with board members and with the chairman of the Board of Auditors, focusing on the effectiveness and functioning of the Board and of its committees. A questionnaire was used by board members to provide quantitative and qualitative assessments of the issues examined.

This questionnaire was structured based on:

- presentation of the results of the analysis of the prevailing culture of the Board of Directors and of the individual styles of the directors. This analysis was conducted using a Board culture framework developed by Spencer Stuart's global Board Practice, which summarises the information provided by the directors in their responses to the on-line questionnaire;
- verification of the effectiveness of the actions carried out in the last year, following up on the comments of the directors during the previous self-assessment;
- further examination of a number of issues concerning the functioning of the Board and the committees, including an examination of the recommendations contained in the letter sent on 19 December 2019 by the Chairman of the Corporate Governance Committee to the management and oversight bodies of Italian issuers;
- the end-of-term financial statements and the overall assessment of activities for the three-year term;
- considerations in terms of the size and composition of the Board in order to prepare the guidance to present to the shareholders.

In line with best practices, the ENAV Board of Directors completed the three-year self-assessment with a peer-review process related to the analysis of the contributions of each member to the board's efforts aimed at providing constructive individual feedback.

The results of the initiative were illustrated at a meeting held on 18 February 2020, during which the Board of Directors conducted its own self-assessment, identifying the strengths of the Board and certain areas for improvement, which will represent the starting point for evaluating the progress achieved in the next self-assessment.

Overall, the directors expressed their appreciation for the operation of the Board of Directors, in view of its size and composition. They had a positive assessment of the actions taken by the Company, following the self-assessment of the previous year, to further improve the issues raised on that occasion. Finally, with reference to the recommendations of the Corporate Governance Committee, the directors felt that the Board complies with the provisions of the Corporate Governance Code and has adopted appropriate practices for each of the four areas indicated by that Committee. For more information on the Board's assessment of these recommendations, please see section 12 of the Report.

The self-assessment exercise allowed the directors to identify many strengths, including: the effective organisation of the Board's work, which is well-planned and compliant with the rules of corporate governance, with clear agendas for Board meetings and always accompanied by explanatory notes; the soundness of the decision-making process, which is aimed at enabling dialogue and achieving consensus; the completeness of the information received on operations and

developments in the business; the support received from the Board Secretariat and the timeliness with which the supporting documentation on the items on the agenda of Board meetings is transmitted; the commitment of the CEO and management to pursuing the various issues; the intensive induction programme and off-site visits to operating sites, which facilitated the examination of specific issues connected with the business; the work of the Board committees, and the associated reporting to the Board, which is effectively reviewed by their respective chairmen for the Board at the earliest opportunity; the substantial compliance of the Company, even though it only recently obtained a listing, with the best governance practice, as also noted in the assessments expressed on the recommendations of the Corporate Governance Committee.

With regard to the end-of-term financial statements, the Directors believe they have helped lead the Company over the last three years towards a greater grasp of the transformation, as well as provided the stimulus for considering external solutions for growth and, in general, facilitated greater openness to innovative issues of great relevance to taking ENAV into the future, such as sustainability and other environmental, social and governance (ESG) issues.

In terms of the size and composition of the Board, the Directors have been called upon to provide guidance on the ideal size and composition of the Board of Directors for the future, as reported in the document entitled “Advice of the Board of Directors of ENAV S.p.A. on the Future Size and Composition of the Board of Directors”, which can be found in the Governance section of the Company’s website. During the year, supported by the comprehensive work of the Remuneration and Appointments Committee on the matter, the Board defined certain guidelines aimed at selecting candidates to join the Board. With the broader view of the full Board, all Directors are in agreement that, for the upcoming term, there is a need for complementary qualifications in order to ensure the effective functioning of the Board of Directors.

In terms of diversity in the appointment and replacement of members of the Board of Directors and the Board of Auditors, in addition to the issues of the qualifications and experience of the members of these boards, and in consolidating past practices and taking account of the final outcome of the first phase of the Board evaluation initiated by the outgoing Board, the Board of Directors approved the policy of diversity in the composition of the management and oversight bodies in accordance with Principle 2.P.4 of the Corporate Governance Code, as described here in accordance with Article 123-bis, paragraph 2, letter d-bis), of the Consolidated Law. The policy, as published on the Company’s website, essentially establishes the objectives to be pursued and the assessment criteria that the Board of Directors has deemed relevant, particularly in terms of diversity in gender, as required by law and by the Articles of Association, in age, in background, and in the factors for determining the independence of directors. Finally, the policy contains indications for the monitoring efforts of the Board in terms of application of the policy itself.

With regard to efforts to enhance the skills and capabilities of the Board members and their related objectives, the efforts undertaken by the Board of Directors, both since its appointment and as planned for the future, are described both in this section and in section 3.6 (Induction) above.

3.10. Chairman of the Board of Directors

During the Financial year, Nicola Maione served as Chairman of the Board of Directors, having been appointed by the Board on 8 November 2018; the appointment was confirmed by the Shareholders’ Meeting of 26 April 2019.

The Chairman calls meetings of the Board of Directors, sets the agenda, coordinates their work and provides the directors and members of the board of auditors with all information regarding the matters to be discussed.

He also acts to encourage and oversee the operation of the Board of Directors.

In addition to the powers provided for by law and the Articles of Association concerning the operation of the corporate bodies and legal representation of the Company, the Board of Directors resolved to grant the Chairman the following powers:

- (i) coordinate audit activities, supervising the operations of the relevant departments;

- (ii) handle relations with domestic and international institutions, together with the Chief Executive Officer.

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

As determined by the Board, in view of the position held, the Nicola Maione retains his status as an independent director for the sole purpose of Article 148 of the Consolidated Law.

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

3.11. Chief Executive Officer

ENAV's Chief Executive Officer is Roberta Neri, who had held the same position during the previous term of the Board.

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

The Chief Executive Officer is granted all powers for the ordinary and extraordinary management of the Company, including legal representation and sole power of signature before any judicial and administrative authorities as well as the functions and powers that are not otherwise reserved by law, the Articles of Association or other authority to the Board of Directors or granted to the Chairman, as discussed, respectively, in sections 3.7 and 3.9 above.

The Chief Executive Officer has also been designated the director in charge of the internal control and risk management system.

The circumstances giving rise to an interlocking directorate envisaged under Application Criterion 2.C.6. of the Corporate Governance Code does not apply with respect to the Chief Executive Officer.

In order to keep the Board of Directors and the Board of Auditors constantly updated, the Chief Executive Officer also informs them promptly, and in any case at least quarterly, about the activities carried out, the general course of operations of the Company and their foreseeable developments, and on the main financial operations carried out by the Company or its subsidiaries. The information is provided both on the occasion of the meetings of the Board of Directors, which always have a specific item on the agenda, and in a report written in conjunction with the Board meetings called to approve the financial reports.

Pursuant to Application Criterion 1.C.1 (d) of the Corporate Governance Code, the Chief Executive Officer informs the Board of Directors, at least quarterly and in conjunction with the Board meetings called to approve the financial reports, on the activities carried out in execution of the powers granted.

3.12. Non-executive directors

With the exception of the Chief Executive Officer, the Board is composed entirely of non-executive directors, as none of them, including the Chairman, have been assigned individual management responsibilities or specific roles in the development of corporate strategies. The number of non-executive directors, their expertise and the time they can devote to the position are such as to ensure that their judgment has a significant influence on Board decisions. Non-executive directors bring their specific professional expertise and experience to Board discussions, enriching them with diverse views and perspectives and encouraging the adoption of thoroughly assessed and considered decisions in line with the Company's interests.

3.13. Independent directors

As of the date of this Report, 5 ENAV Directors out of 9 can be considered independent under the provisions of the Consolidated Law and the Corporate Governance Code.

Moreover, the Board of Directors assessed compliance with the requirements of law and the Articles of Association, as well as those provided for in the Corporate Governance Code, finding that the Directors Giuseppe Acierno, Fabiola Mascardi, Carlo Paris and Antonio Santi met those under Article 148, paragraph 3, of the Consolidated Law and Principle 3 of the Corporate Governance Code

Subsequently, in line with the resolutions of the 2019 Shareholders' Meeting, at which the authorised number of directors was re-established with the appointment of Pietro Bracco, the Board assessed his qualifications in accordance with the law, the Articles of Association and the Corporate Governance Code and determined, in particular, that he qualifies as an independent in accordance with Article 148, paragraph 3, of the Consolidated Law and with Principle 3 of the Corporate Governance Code.

The Board of Auditors, as part of its oversight duties, with particular reference to Application Criterion 3.C.5 of the Corporate Governance Code and Article 149, letter c-bis), of the Consolidated Law and in compliance with Article 2.3 of the Rules of the Board of Auditors, verified the correct application of the assessment criteria and procedures adopted by the Board of Directors to assess the independence of its members.

The independent Directors met and had the opportunity to exchange their assessments of the operating processes of the Board of Directors and its internal committees. These discussions provided an opportunity for a final report on the methods of executing the Board's duties, which, over the course of the three-year term, were characterised by lively, constructive debate that contributed to the progressive consolidation of robust, well-structured decision-making processes. The independent Directors appreciated the thoroughness of the information provided prior to Board meetings, as well as its quality, timeliness and accessibility, including in relation to dematerialisation that made use of appropriate sharing platforms. The Directors also appreciated the many opportunities to meet informally, which promoted familiarity within the Board and benefited the overall flow of the work conducted by the Board. The CEO was also open in sharing information within the scope of proper interactions with non-executive Directors, both independent and non-independent. Finally, the independent Directors found the frequency of meetings of the Board of Directors to be adequate and that such meetings were well attended, and further found that the support provided by the Board's Committees, within the scope of their respective purviews, to the Board of Directors was valid.

3.14. Lead independent director

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

4. COMMITTEES WITHIN THE BOARD OF DIRECTORS

4.1. Remuneration and Appointments Committee

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

During the Financial year and until 15 May 2019, the Remuneration and Appointments Committee was composed of the Directors Carlo Paris (independent non-executive Director) acting as Chairman, Maria Teresa Di Matteo (non-executive Director), and Giuseppe Acierno (independent non-executive Director). On the same date, also considering the decision of the 2019 Shareholders' Meeting concerning the re-establishment of the authorised number of directors with the appointment of a new director meeting the independence requirements provided for by law and the Corporate Governance Code, and in order to ensure a balanced distribution of the workload of the members of the committees and to foster an exchange of knowledge, the Board of Directors approved a reorganisation of the corporate governance arrangements, with particular reference to the composition of the Board committees. As a result of this reorganisation, at the date of this Report, the Remuneration and Appointments Committee is made up of the directors Giuseppe Acierno (independent non-executive Director) acting as Chairman, Maria Teresa Di Matteo (non-executive Director) and Pietro Bracco (independent non-executive Director).

The composition of the Remuneration and Appointments Committee ensures that the necessary number of members meet professionalism and independence requirements set out in the Corporate Governance Code.

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 approved with a resolution of the Board of Directors.

As regards to appointments, the Remuneration and Appointments Committee is responsible for formulating proposals and providing advice, pursuant to Article 2 of the Committee Rules and in line with the provisions of Principle 5 of the Code, including:

(a) expressing opinions to the Board of Directors regarding its size and composition and making recommendations regarding both the professional expertise that should be represented on the Board and the issues addressed under Application Criteria 1.C.3 (guidelines for the Board of Directors regarding the maximum number of positions as director or member of the board of auditors its members should hold) and 1.C.4 (exceptions to the competition restriction under Article 2390 of the Italian Civil Code) of the Corporate Governance Code;

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

In addition, having regard to the provisions of Application Criterion 5.C.2. of the Corporate Governance Code, the Committee is responsible for supporting the Board of Directors in its deliberations regarding the possible adoption of a succession plan for executive directors.

Moreover, in order to leverage the work of the Remuneration and Appointments Committee in support of the Board with regard to appointments, the Committee was involved in the preparatory assessment of the appointment of directors and members of the board of auditors at subsidiaries.

With regard to remuneration, the Remuneration and Appointments Committee is responsible for 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, including:

(a) submitting proposals or expressing 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;

(b) periodically assessing the adequacy, overall consistency and effective application of the remuneration policy for Directors and managers with strategic responsibilities, making use of the information provided by the Chief Executive Officer in this latter regard;

(c) reviewing the annual remuneration report prior to publication before the annual Shareholders' Meeting called to approve the financial statements;

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

(e) preparing, submitting to the Board of Directors and monitoring the application of incentive schemes for senior management (including share-based remuneration plans), which are designed to attract and motivate executives with 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 Remuneration and Appointments Committee is provided with the necessary resources by the Board of Directors. 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 managers with strategic responsibilities 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.

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

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

In 2019, the Committee met 10 times, and the average duration of each meeting was about 1 hour and 16 minutes, with 95% of its members present on average. For additional information regarding the attendance of members at the meetings of the Committee, please see table 2 to attached to the Report. The Committee meetings were normally attended by the Chairman of the Board of Auditors or another delegated auditor. During its activities, the Committee invited certain managers to its meetings, notably the Human Resources and Corporate Services Officer, the General Counsel and the Chief Financial Officer, occasionally with the support of external consultants, to examine certain issues more closely.

In particular, in the course of the Financial year and in the early months of 2020, the Remuneration and Appointments Committee, among other things:

(i) with regard to its functions concerning remuneration:

- formulated proposals to the Board of Directors for the short-term variable component of 2019 remuneration for the Chief Executive Officer and the guidelines for the short-term variable remuneration for managers with strategic responsibilities;
- verified the adequacy, overall consistency, and practical application of the remuneration policy for the Chief Executive Officer and managers with strategic responsibilities for 2018, making use of the information provided by units within the organisation;
- formulated proposals to the Board of Directors for determining achievement of performance objectives related to the variable component of 2018 remuneration for the Chief Executive Officer and assessed the application of the guidelines for the short-term variable remuneration for managers with strategic responsibilities;
- prepared the Remuneration Report (containing, among other things, the description of the Remuneration Policy for the year and the procedures for exercising the functions of the Remuneration and Appointments Committee) for approval of the Board of Directors and presentation to the shareholders;
- verified, with the support of the competent units within the organisation, the effectiveness of the 2017-2019 Performance Share Plan in light of the related implementing regulation;

- formulated a proposal to the Board of Directors for the start of the third and final (2019-2021) vesting cycle of the 2017-2019 Performance Share Plan;
- examined the succession plan for managers with strategic responsibilities;
- verified achievement of performance objectives related to the short-term variable component of 2019 remuneration for the Chief Executive Officer and assessed the application of the guidelines for the short-term variable remuneration for managers with strategic responsibilities;
- analysed the results of the shareholders' vote on the 2018 Remuneration Report;
- prepared the report on remuneration policy and remuneration paid, which includes a description of remuneration policy for 2020 and a statement of amounts paid during the Financial year;
- prepared and submitted to the Board of Directors the information document related to the 2020-2022 Performance Share Plan in accordance with Article 114-*bis* of the Consolidated Law and Article 84-*bis* of the Issuers Regulation;
- formulated proposals to the Board of Directors for determining achievement of performance objectives related to the short-term variable component of 2019 remuneration for the Chief Executive Officer and assessed the application of the guidelines for the short-term variable remuneration for managers with strategic responsibilities;
- formulated proposals to the Board of Directors for the assessment of performance for the first (2017-2019) vesting cycle for the 2017-2019 Performance Share Plan for the Chief Executive Officer and other beneficiaries.

(ii) with regard to its functions concerning appointments, the committee:

- conducted preliminary work, including with the support of an advisor, aimed at formulating proposals for the co-opting of a member of the Board of Directors, a proposal which was then approved by the 2019 Shareholders' Meeting;
- expressed an opinion concerning the guidance on the future size and composition of the Board of Directors in accordance with application criterion 1.C.1, letter h, of the Corporate Governance Code;
- proposed to the Board of Directors, with the support of the independent advisor Spencer Stuart and having heard the views of the Sustainability Committee, the adoption of a policy of diversity in the composition of the management and oversight bodies in accordance with principle 2.P.4 of the Corporate Governance Code and taking account of Article 123-*bis*, paragraph 2, letter d-*bis*, of the Consolidated Law.

In addition, at its meeting of 23 January 2020, the committee examined the Letter from the Chairman of the Corporate Governance Committee of 19 December 2019.

In performing its functions, the Committee was able to interact with the competent departments of the Company and access the information necessary to carry out its duties appropriately. It also availed itself of external consultants, considered independent and not possessing any conflict of interest.

For 2020, as at the date of this Report, the Remuneration and Appointments Committee has planned 13 meetings, of which 4 were held in the period from 1 January 2020 to the date of this Report.

Minutes were duly taken for all the meetings of the Committee.

4.2. Control, Risks and Related Parties Committee

In application of the recommendations of the Corporate Governance Code, the Board of Directors receives support on issues concerning the internal control and risk management system from the Control, Risks and Related Parties Committee, consisting of non-executive directors, the majority of whom are independent, charged with providing recommendations and advice on such issues. With

regard to the provisions contained in Article 11-*bis*.5 of the Articles of Association, the Control, Risks and Related Parties Committee is also competent for related party transactions.

During the Financial year, the Control, Risks and Related Parties Committee was composed of the directors Antonio Santi (independent non-executive director) acting as Chairman, Fabiola Mascardi (independent non-executive director) and Mario Vinzia (non-executive director).

The composition of the Control, Risks and Related Parties Committee ensures that the necessary number of members meet professionalism and independence requirements set out in the Corporate Governance Code.

The composition, duties and operation of the Committee are governed in detail in the Committee Rules approved with a resolution of the interim Board of Directors.

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

- (a) to verify, together with the Financial Reporting Officer and having obtained the opinion of the audit firm and the Board of Auditors, that accounting policies are used correctly and uniformly in the preparation of the periodic financial reports;
- (b) to issue opinions on specific issues concerning the identification of the main risks faced by the Company;
- (c) to examine the periodic reports on the assessment of the internal control and risk management system and the main reports prepared by the Internal Audit Department;
- (d) to monitor the independence, adequacy, effectiveness and efficiency of the Internal Audit Department;
- (e) to report to the Board of Directors, at least twice a year, on its activities and the adequacy of the internal control and risk management system;
- (f) to support, conducting appropriate checks, the assessment and decisions of the Board of Directors concerning the management of risks arising from adverse events that have come to the attention of the Board of Directors;
- (g) to perform any additional duties assigned by the Board of Directors.

In addition, in line with Application Criterion 7.C.1 of the Corporate Governance Code and pursuant to Article 2 of the Committee Rules, the Control, Risks and Related Parties Committee shall express its opinion to the Board of Directors:

- (a) regarding the guidelines for the internal control and risk management system approved by the Board of Directors and periodically updated, so that the main risks concerning ENAV and its subsidiaries, including the various risks that could threaten sustainability in the medium/long term, are correctly identified and adequately measured, managed and monitored;
- (b) regarding the compatibility of the risks under (a) above with managing the Company consistently with the strategic objectives that have been identified;
- (c) regarding the adequacy of the internal control and risk management system in respect of the characteristics of the business and its risk profile and also regarding the effectiveness of the system itself;
- (d) regarding the plan of activities prepared by the Internal Audit Officer;
- (e) on the description included in the Corporate Governance Report of the main characteristics of the internal control and risk management system and the procedures for coordination of the parties involved therein, including an assessment of the adequacy of the system itself;
- (f) regarding the findings reported by the audit firm in the event it issues an opinion letter and in the report on key audit matters;
- (g) on the proposal relating to the appointment, termination and remuneration of the Internal Audit Officer, as well as on the adequacy of the resources assigned to the latter to perform the department's functions.

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

In order to perform its duties, the Control, Risks and Related Parties Committee is provided with the necessary resources by the Board of Directors. 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, whose independence and absence of conflicts of interest shall be assessed. The Committee can also 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.

The Control, Risks and Related Parties Committee and the Board of Auditors shall exchange all information of mutual interest and, where appropriate, coordinate the performance of their duties.

Pursuant to the Committee Rules, the Chairman of the Control, Risks and Related Parties Committee shall report at the first appropriate Board meeting on the meetings held by the Committee.

In 2019, the Control, Risks and Related Parties Committee met 14 times for an average of about 1 hour and 54 minutes, with 100% attendance of its members at the meetings. The Chairman of the Board of Auditors or another Auditor normally attends all the meetings of the Control, Risks and Related Parties Committee, together with the Internal Audit Officer. The director in charge of the internal control and risk management system is always invited to the Control, Risks and Related Parties Committee meetings in connection with the activities pertaining to risk control. The Control, Risks and Related Parties Committee meetings were also attended by managers from various corporate departments in connection with the discussion of specific issues, including those concerning related parties, periodic financial reporting, the statements of the Financial Reporting Officer pursuant to Article 154-*bis*, paragraph 5, of the Consolidated Law, identifying and monitoring ERM risks as well as corporate or other significant transactions.

More specifically, in 2019 and in the early months of 2020, the Control, Risks and Related Parties Committee, among other things, with regard to its functions concerning control and risks

- verified, having obtained the opinions of the Chief Financial Officer, the Financial Reporting Officer and the audit firm, that corporate accounting policies were used correctly and uniformly in the preparation of the periodic financial reports;
- expressed opinions on specific aspects regarding updates to the corporate risk profile and risk appetite statement of the ENAV Group;
- expressed a favourable opinion on the internal audit plan for 2019 and on the half-yearly adjustments to the plan;
- examined the periodic reports concerning assessment of the ICRMS and those of particular relevance prepared by the Internal Audit department, as well as the half-year and annual internal audit reports;
- verified the adequacy and effectiveness of the Internal Control and Risk Management System in relation to the Company's risk profile and other characteristics;
- expressed an opinion on the acquisition of the share capital of IDS AirNav S.r.l.; the acquisition was then completed on 18 July 2019 within the scope of process to consolidate the Group's position as a competitive player in the non-regulated segment of air traffic management services and technologies;
- monitored the autonomy, adequacy, effectiveness and efficiency of the Internal Audit department in 2019;
- prepared the periodic report on activities conducted and on the adequacy of the Internal Control and Risk Management System;
- analysed the internal controls;
- examined the update to the commercial guidelines for the management of risk in the Group's activities on the unregulated market;

- examined the update to the ICRMS guidelines;
- examined the Sustainability Report in relation to its impact on the ICRMS;
- examined the plan and 2019 budget of the Internal Audit department;
- examined the plan and 2019 budget of the Supervisory Body;
- examined the update to the compliance model pursuant to Legislative Decree 231/2001;
- examined the half-year and annual reports of the Supervisory Body;
- examined the Enterprise Risk Management plan for 2020;
- expressed an opinion on the appointment of the new Internal Audit Officer following the resignation of the previous position holder;
- received updates from the Director in charge of ICRMS, together with company management, on the measures taken by the Company in connection with the emergency related to the spread of the COVID-19 virus, as well as in relation to the possible overall impact of the epidemic on ENAV's 2020 outlook.

In exercising its functions with regard to related-party transactions, the Control, Risks and Related Parties Committee issued opinions pursuant to the RPT procedure and the Related Party Transaction Regulation approved by Consob with Resolution no. 17221 of 12 March 2010.

At the meeting of 23 January 2020, the Committee examined the Letter from the Chairman of the Corporate Governance Committee of 19 December 2019.

In performing its duties, the Committee was able to access the necessary information and corporate departments in order to discharge its duties.

For 2020, the Control, Risks and Related Parties Committee has planned 13 meetings, of which 4 have been held as at the date of this Report.

Minutes were duly taken for all the meetings of the Committee.

4.3. Sustainability Committee

In addressing issues concerning sustainability, the Board of Directors is supported by an internal committee, the Sustainability Committee, entirely composed of independent non-executive Directors, with advisory functions in this area.

Until 15 May 2019, the Sustainability Committee was composed of the directors Giuseppe Acierno, acting as Chairman, Fabiola Mascardi and Carlo Paris. On the same date, also having regard to the 2019 Shareholders' Meeting resolution to re-establish the authorised number of directors on the Board with the appointment of a new director meeting the independence requirements provided for by law and the Corporate Governance Code, and in order to ensure a balanced distribution of the workload of the members of the committees and to foster an exchange of knowledge, the Board of Directors approved a reorganisation of the corporate governance arrangements, with particular reference to the composition of the Board committees. As a result of this reorganisation, at the date of this Report, the Sustainability Committee is entirely composed of independent non-executive Directors: Carlo Paris, acting as Chairman, Fabiola Mascardi and Pietro Bracco.

The composition, duties and operation of the Sustainability Committee are governed in detail in the Committee Rules approved with a resolution of the Board of Directors.

In accordance with Article 2 of the Committee Rules, the Sustainability Committee is entrusted with the following tasks:

- a. monitoring sustainability policies connected with the conduct of business and stakeholder engagement activities;
- b. examining the guidelines of the strategic sustainability plan proposed by the Chief Executive Officer and monitoring the progress of the activities and projects contained therein;

- c. promoting ENAV's participation in sustainability initiatives and events, with a view to consolidating the Company's reputation nationally and internationally;
- d. examining the general approach of the sustainability document proposed by the Chief Executive Officer and the structure of its contents, as well as the completeness and transparency of the information it provides, issuing a prior opinion to the Board of Directors at the meeting called to approve that document;
- e. issuing opinions, at the request of the Board of Directors or the Chief Executive Officer, on sustainability issues.

In order to perform its duties, the Sustainability Committee is provided with the necessary resources by the Board of Directors. Moreover, within a 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, on the condition that they do not find themselves in circumstances that compromise their independent judgement.

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

In 2019, the Sustainability Committee met 9 times, and the average duration of each meeting was about 1 hour and 23 minutes, with 97.25% of its members present on average. The Committee meetings were normally attended by the Chairman of the Board of Auditors or another standing auditor. The Committee's meetings were also attended by the Head of the Corporate Social Responsibility department, which carried out the preparatory work concerning sustainability issues.

In particular, in the course of 2019 and in the early months of 2020, the Sustainability Committee, among other things:

- oversaw sustainability policies related to company business and stakeholder-engagement efforts;
- monitored progress of the three-year Sustainability Plan and related updates and oversaw the progress of the projects and other activities contained therein;
- examined the policy on diversity in the composition of the management and oversight bodies;
- expressed an opinion on the general configuration of the Sustainability Report and of the consolidated non-financial disclosure in accordance with Legislative Decree 254/2016, including an assessment of the adequacy, transparency, and thoroughness of the information contained therein;
- arranged hearings with the competent units within the organisation and received information from the Remuneration and Appointments Committee concerning the preliminary work related to determining the sustainability objectives of short-term and long-term remuneration policies for the Chief Executive Officer and managers with strategic responsibilities.

During the Financial year, the committee also examined the internal assessment on sustainability issues, upon completion of which certain issues of greatest relevance to ENAV's non-financial strategy were identified.

At the meeting of 23 January 2020, the committee examined the Letter from the Chairman of the Corporate Governance Committee of 19 December 2019.

In performing its functions, the Committee was able to interact with the competent departments of the Company and access the information necessary to carry out its duties appropriately.

For 2020, the Sustainability Committee has planned 11 meetings, of which 3 had been held as of the date of this Report.

Minutes were duly taken for all the meetings of the Committee.

5. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

The Guidelines of the internal control and risk management system of ENAV and Group entities define the principles, implementing criteria, roles and responsibilities connected with the ICRMS.

The ICRMS of the ENAV Group is composed of a set of tools and organisational units, laws and corporate rules designed to enable the identification, measurement, management and monitoring of the main risks and the implementation of controls to ensure achievement of the corporate objectives of:

- preserving corporate assets;
- implementing effective and efficient corporate processes;
- ensuring the reliability of financial reporting;
- complying with the law, regulations, the Articles of Association and internal Company rules.

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

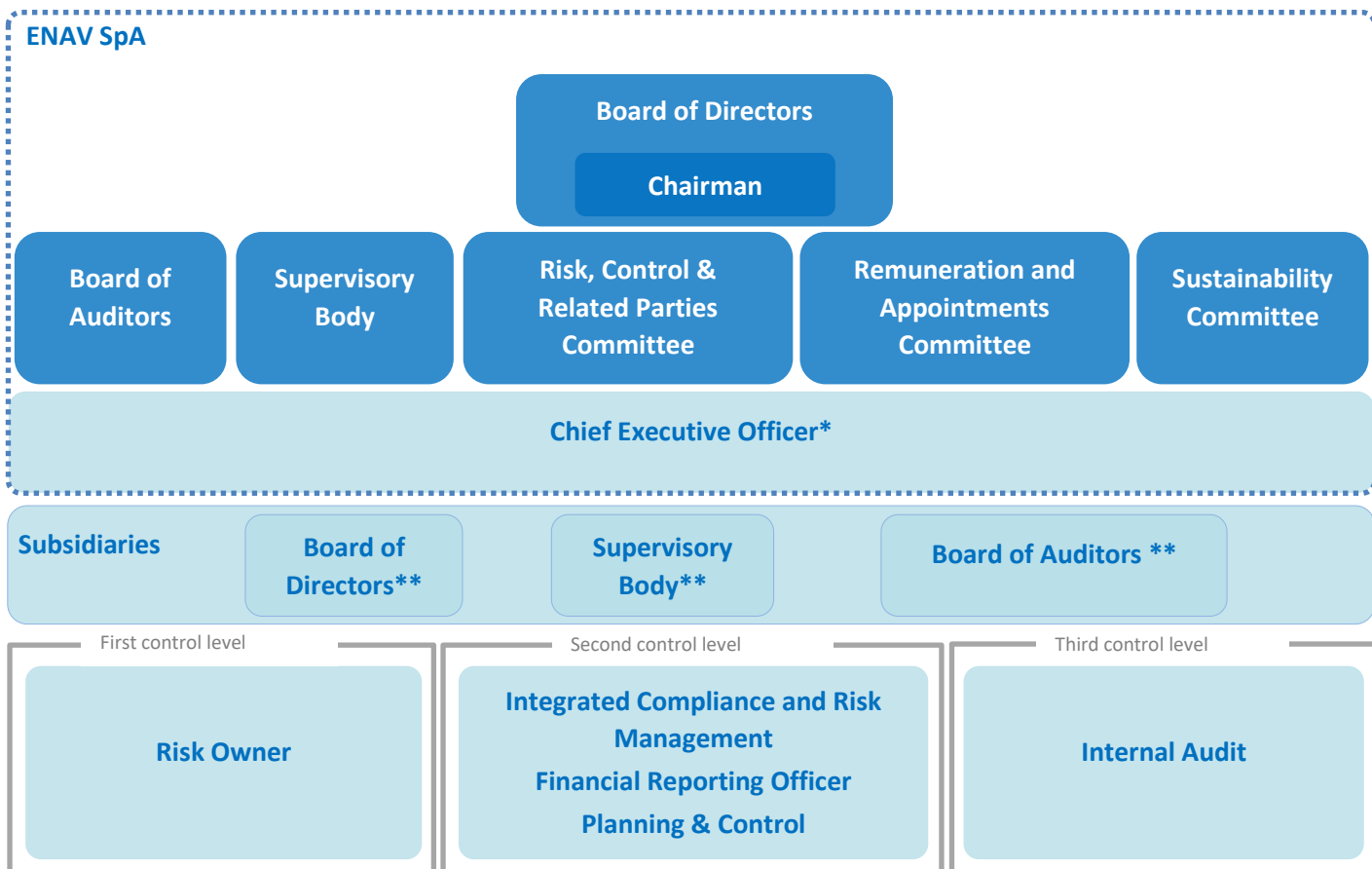
“first level” or “line controls” (risk ownership)	The set of control activities that the individual organisational units of the Group perform for their own processes in order to ensure that operations are conducted correctly. These control activities are carried out under the primary responsibility of management and are considered an integral part of every corporate process. The heads of the individual organisational units are therefore the primary entities responsible for the internal control and risk management process. In the course of their daily operations, these officers are required to identify, measure, evaluate, manage, monitor and report the risks arising from ordinary business operations in accordance with applicable law, regulations and internal procedures.
“second level” controls	These are entrusted to units specifically responsible for these duties (such as Integrated Compliance and Risk Management, Planning and Control, the Financial Reporting Officer) which are hierarchically and functionally independent of the “first level” organisational units, with specific control duties and responsibilities for different areas/types of risk. The heads of these units monitor the corporate risks pertaining to their specific areas, propose guidelines for the associated control systems, verify their adequacy in order to ensure the efficiency and effectiveness of risk control and management operations and support the integration of the risks related to their specific areas of responsibility.
“third level” controls	These are performed by Internal Audit, which provides independent and objective assurance on the adequacy and actual operation of the first and second level controls and the ICRMS in general. Internal Audit is therefore responsible for verifying the structure and operation of the overall ICRMS, including through monitoring the line controls and second-level controls, for ENAV and the Group as a whole.

The main parties involved in the Internal control and risk management system are:

- the Board of Directors of ENAV and the management bodies of the subsidiaries
- the Board of Auditors of ENAV and the oversight bodies of the subsidiaries (where present)
- the Director in charge of the internal control and risk management system
- the Control, Risks and Related Parties Committee
- ENAV’s Supervisory Body pursuant to Legislative Decree 231/2001 and those of the subsidiaries (where present)
- the magistrate designated by Court of Auditors
- the Remuneration and Appointments Committee

- the Sustainability Committee
- the Financial Reporting Officer, the Integrated Compliance and Risk Management and Planning and Control units
- the Internal Audit Department
- the risk owners

The following chart provides an overview of the actors in the ICRMS of the ENAV Group, showing the architecture based on the three levels of control.



* also in the CEO's capacity as director responsible for the ICRMS

** where applicable

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

- the chairman of the Board of Auditors or other appointed standing member is to be invited to meetings of the Control, Risks and Related Parties Committee;
- the Control, Risks and Related Parties Committee is to report to the Board of Directors at least twice per year in conjunction with approval of the half-year and annual reports on activities conducted and on the adequacy of the ICRMS;
- the director in charge of the ICRMS is to report to the Control, Risks and Related Parties Committee or to the Board of Directors in a timely manner regarding any critical issues that should emerge as a part of said director's activities or by other means such that the committee and/or the Board can take appropriate action;

- the magistrate designated by the Court of Appeals to monitor the Company shall participate in meetings of the boards of directors and of auditors;
- the Supervisory Body shall report at least once per year to the Board of Directors regarding activities conducted and on any need to adjust controls for the prevention of crime pursuant to Legislative Decree 231/01;
- the Internal Audit department shall, at least once per year, submit the audit plan based on a structured process of analysis and prioritisation of the main risks for approval by the Board of Directors;
- the Internal Audit shall submit its periodic reports and those on events of particular relevance to the chairpersons of the Board of Auditors, of the Control, Risks and Related Parties Committee, and of the Board of Directors, as well as to the director in charge of the ICRMS and to the Financial Reporting Officer within the scope of their respective responsibilities.

The information of interest to the ICRMS is defined and updated by the Risk Manager in coordination with the organisational units concerned.

5.1. Director in charge of the internal control and risk management system

The Chief Executive Officer, Roberta Neri, is the director responsible for supervising the operation of the internal control and risk management system (the “Director in Charge”), with the duties referred to in Application Criterion 7.C.4 of the Corporate Governance Code.

The Director in Charge is responsible for:

- identifying the main corporate risks, supported by the Group Risk Manager and the Risk Analysis and Support Processes Compliance unit, taking account of the characteristics of the business carried out by ENAV and the Group, bringing those risks to the attention of the Board of Directors for periodic review;
- executing the guidelines of the ICRMS, handling the planning, implementation and management thereof and verifying its ongoing adequacy and effectiveness;
- adapting the ICRMS to developments in operating conditions and the legislative and regulatory environment;
- in consultation with the Chairman of the Board of Directors, submits to the Board of Directors proposals regarding the appointment, termination and remuneration of the Internal Audit Officer, ensuring that the latter has appropriate resources for the discharge of his responsibilities;
- in consultation with the Chairman of the Board of Directors, examines the plan of activities prepared by the Internal Audit Officer, submitting an assessment in this regard to the Board of Directors, which is called upon to approve this plan;
- ask, when necessary, the Internal Audit unit to perform checks of specific operational areas, as well as checks of compliance with internal rules and procedures in the performance of business operations, informing the Chairman of the Board of Directors, the Chairman of the Control, Risks and Related Parties Committee and the Chairman of the Board of Auditors; and
- promptly reporting to the Control, Risks and Related Parties Committee or to Board of Directors on any problems or critical issues that have emerged in the performance of her duties, or that were otherwise brought to her attention, so that the Committee and/or the Board of Directors may take the necessary measures.

During the Financial year and in the early months of 2020, the Director in Charge carried out, *inter alia*, the following tasks:

- updated the Corporate Risk Profile identifying the major corporate risks, taking account of the characteristics of the operations of the Company and its subsidiaries;
- executed the guidelines laid down by the Board of Directors and oversaw the planning, implementation and supervision of the internal control and risk management system, while

- verifying its adequacy and effectiveness on an ongoing basis, bearing in mind operating conditions and the legislative and regulatory environment;
- met the Board of Auditors on 2 occasions to report on the activities carried out for the purposes of this position;
- examined the 2020 activity plan and the budget of the Internal Audit Department
- revised the Group commercial policy;
- updated the document establishing the Group's risk propensity;
- updated the ICRMS guidelines.

5.2. Internal Audit

The Internal Audit unit reports hierarchically to the Board of Directors and functionally to the Chairman of the Board. The structure is responsible for verifying that the internal control and risk management system is functional and adequate and, taking into account the tasks assigned to it by Application Criterion 7.C.5 of the Corporate Governance Code, in particular:

- verifying, on an ongoing basis and in relation to specific needs and in compliance with international standards, the operations and appropriateness of the ICRMS, through the audit plan and by conducting specific, unscheduled audits;
- preparing, at least annually, an audit plan, based on a structured process of analysis and identification of the priorities inherent in the main risks, to be submitted for the approval of the Board of Directors;
- conducting specific verifications, where deemed appropriate or at the request of the Board of Directors, the Control, Risks and Related Parties Committee, the Director in Charge or the Board of Auditors.

The Internal Audit Officer also ensures, at a Group level, proper oversight for the prevention of corruption and the fight against fraud, monitoring any reports received (whistleblowing) and checking the circumstances reported.

Internal Audit, as indicated in the mandate approved with a resolution of the Board of Directors, has direct access to all information required for the performance of these duties and prepares periodic reports containing adequate information on its activities, the procedures through which risks are managed and compliance with the content of the prepared plans. The periodic reports contain an evaluation of the suitability of the ICRMS on the basis of the findings of the checks performed in executing the audit plan and any further investigation requested by management and/or oversight bodies.

In order to discharge his duties, the Internal Audit Officer has access to the financial resources of the department budget, which are used to perform the department's activities independently or with the support of external entities/individuals.

Internal Audit is not responsible for any operational area and reports directly to the Board of Directors, through the Chairman of the Board of Directors. Internal Audit prepares timely reports on events of particular significance and transmits them to the Chairman of the Board of Auditors, the Control, Risks and Related Parties Committee and of the Board of Directors, to the Director in Charge and to the Financial Reporting Officer within the scope of his responsibilities. Moreover, Internal Audit verifies the reliability of the Company's information systems, including its accounting systems.

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

The Internal Audit Officer serves as the internal member of the Supervisory Body of ENAV and of one of the subsidiaries.

With regard to the whistleblowing system, Internal Audit has developed a system for managing reports of illegal or fraudulent conduct on the part of its employees or third parties in general, in

particular those who have relationships with the ENAV Group. The system represents a confidential reporting channel, preserving the anonymity and confidentiality of the whistle-blower. This system is part of the anti-corruption framework based on the ISO 37001 standard, whose areas for improvement are addressed in the 2020 audit plan.

During the Financial year and in the early months of 2019, the Internal Audit Officer carried out the following activities:

- proposed an update of the internal audit plan to the Board of Directors, having regard to regulatory developments and taking account of the Business Plan and the ERM risk report;
- completed 27 audit reports connected with both the activities provided for in the plan and requests from by the Board of Directors, the Board of Auditors, the Control, Risks and Related Parties Committee, the Director in Charge as well as reports requiring specific assessments;
- periodically monitored progress on the implementation of recommended actions (follow up);
- periodically reported to the Control, Risks and Related Parties Committee and the Board of Auditors on the progress of activities carried out;
- prepared an annual report on the activities carried out by the Internal Audit during the Financial year;
- prepared the 2020 plan of the Internal Audit activities.

On 18 February 2020, the Internal Audit Officer presented his annual report to the Board of Directors, updated to the date the report was issued. He reported that no circumstances or critical issues had emerged that would call into question the adequacy of ENAV's overall Internal Control and Risk Management System.

Following the resignation on 20 February 2020 of the previous Internal Audit Officer from positions held within the Group, and acting on a proposal by the director in charge of the ICRMS in agreement with the Chairman of the Board of Directors and having heard the opinion of the Control, Risks and Related Parties Committee and the Board of Auditors, the Board of Directors appointed the new Internal Audit Officer on 12 March 2020.

5.3. Control system for financial reporting

ENAV Group's control system for financial reporting, which is an integral part of the broader ICRMS, seeks to ensure the reliability, accuracy, fidelity and timeliness of financial reporting.

The structure of the financial reporting control system (FRCS) is defined consistently with the "Internal Controls – Integrated Framework" model of the "Committee of Sponsoring Organizations of the Treadway Commission", which is an international benchmark in relation to which each component of the ENAV internal control system is established, maintained and evaluated.

The responsibility for implementing and maintaining an appropriate FRCS is assigned to the Financial Reporting Officer. The principles and methods adopted by that officer in the exercise of the duties of the position, and the responsibilities of the personnel involved in various capacities in the maintenance and monitoring of FRCS, are described in the "Guidelines for the evaluation of the FRCS".

The FRCS is established, maintained and evaluated through a structured process that includes the following phases:

- a) *Definition of the scope of the companies and significant processes (scoping)*. The Financial Reporting Officer of ENAV identifies the companies which are significant within the FRCS, using a top-down and risk-based approach, in order to ensure adequate monitoring of the areas most exposed to the risk of significant unintentional errors or fraud in the financial statements. The identification of companies that are significant in quantitative terms is carried out on the basis of the contribution of the different entities to certain aggregates in the consolidated financial statements and considering the existence of processes with specific inherent risks which could compromise the reliability and accuracy of financial reporting. Within those companies considered significant for the control system, significant processes are then identified, i.e. those processes which produce significant items in the financial statement that exceed the materiality threshold or which are considered as such in consideration of qualitative aspects (risky processes which are not connected to significant accounts due to the complexity of their accounting treatment or the evaluation or estimation processes).
- b) *Analysis and evaluation of entity-level controls (ELC)*. Entity-level controls consist of a structured group of processes and controls operating across the ENAV organisation to guide, define and monitor the design and operation of the overall FRCS. The IT General Control, which regards the infrastructure and interdepartmental processes of Group companies, and the Application Control, which regards the various applications supporting business processes, are an integral part of the internal control system.
- c) *Analysis and evaluation of controls at the process level and identification of key controls*, i.e. controls that have the most relevance for the purpose of proper financial reporting. The structure of the controls at the process level provides for specific controls and monitoring, these being the group of activities - manual or automated – designed to prevent, identify and correct errors or irregularities that arise in operations.
- d) *Monitoring of control operations*. In order to verify and ensure the operation of the FRCS, the Financial Reporting Officer engages an independent firm to conduct specific verification activities (tests) and monitoring, both at the entity level and at the process level, which consist mainly of: (i) defining the test plan; (ii) executing test activities; (iii) reporting findings;
- e) *Evaluation of any deficiencies, approval and monitoring of remedial actions and updating of administrative and accounting procedures*. Following verifications or any significant changes (including organisational modifications), if the assessment indicates that there are deficiencies in the FRCS, the associated corrective actions required to ensure the reliability, accuracy, fidelity and timeliness of financial reporting are identified. Consequently, the Financial Reporting Officer updates or if necessary prepares the administrative-accounting procedures and publishes them on the corporate intranet, in agreement with the process owners themselves. On the basis of the monitoring activity, the Financial Reporting Officer prepares a report on the adequacy of the FRCS. The report is agreed with the Chief Executive Officer and communicated to the Board of Directors, after examination by the Control, Risks and Related Parties Committee, at the time of the approval of the draft annual financial

statements and the semi-annual interim financial report, to enable their assessment of the FRCS.

- f) *Release of the certification of the financial statements and the report on operations by the Chief Executive Officer and the Financial Reporting Officer.* Based on the consolidation of the results obtained and the overall evaluation of the financial reporting control system, the Financial Reporting Officer and the Chief Executive Officer issue a certification on the effectiveness and operation of administrative and accounting procedures and the fidelity and accuracy of financial reporting. The certification for the separate financial statements, the consolidated financial statements and the semi-annual interim financial statements, together with the associated reports on operations, is also supported by a flow of internal certification letters issued by the managers of the corporate functions of ENAV involved in preparing the financial statements.

5.4. The Compliance Model pursuant to Legislative Decree 231/2001

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

Pursuant to Legislative Decree 231 of 2001, the Supervisory Body is responsible for overseeing the operation and observance of the 231 Compliance Model and the Code of Ethics, while also updating them in response to developments in the organisational structure and the applicable regulatory framework.

The ENAV 231 Compliance Model in effect as at the date of this Report is structured as follows:

- a general part is focused on the governance and business issues, and the configuration of the governance aspects of the system for preventing offences under Legislative Decree 231/2001 that has been implemented within the Company, including the disciplinary system;
- 9 special sections (from letter A to letter I) address the categories of offences provided for in Legislative Decree 231/2001 that are applicable to the context in which the Company operates. They contain a list of the activities which are potentially exposed to the various risks of an offence being committed, the rules of conduct applicable to each area of interest, and the specific principles of control included in the Company’s internal rules;
- an Annex A to the general part containing the list of relevant offences, which outlines the types of offence under Legislative Decree 231 of 2001 that, if committed in the interest or to the advantage of the Company, could give rise to administrative liability for the Company;
- an Annex B to the general part containing a matrix of the potential offences associated with so-called sensitive areas (analysis of the risk profile).

The ENAV 231 Compliance Model is maintained and updated on an ongoing basis on the basis of proposals of the Supervisory Body. Most recently, on 26 February 2019, ENAV’s Board of Directors resolved to update the 231 Compliance Model, taking account of (i) the new organisational macro-structure, (ii) the medium-term prevention measures adopted, including the Whistleblowing Rules and the Code of Conduct for the fight against corruption, and (iii) the aspects concerning the special sections, with particular reference to prevention protocols and applicable internal procedures. Specifically, the general part of the Model was supplemented with a reference to a number of existing governance mechanisms such as the Sustainability Committee and the newly established non-Board committees (management team, executive team, investment team and compliance team) and references to the rules adopted in compliance with applicable legislation. The special sections were then supplemented with references to internal procedures in the prevention protocols that expand their scope to include the prevention of 231 offenses.

The ENAV 231 Compliance Model is available on the Company’s website, www.enav.it.

The 2020 plan of the Supervisory Body also calls for the 231 Compliance Model and the Code of Ethics to be updated in order to take account of endogenous factors related to organizational

changes within the Company and the Group in 2019 and adoption of the Diversity and Inclusion Policy, as well as the significant legislative changes introduced in the meantime.

The Supervisory Body in office was appointed on 27 May 2019 and consists of two external members, Maurizio Bortolotto (Chairman) and Luisa Nasoni, and one internal member, the acting Internal Audit Officer. The Supervisory Body will remain in office until approval of the financial statements for 2021 and, in any event, until appointment of a new Supervisory Body.

The Supervisory Body conducted ongoing work in relation to 231 Compliance Model and Code of Ethics training by way of a two-hour e-learning session for all employees of the Group, which was followed by an in-class session for key personnel (i.e. direct reports to the CEO and other key managers).

In the period, the Supervisory Body of ENAV held 6 meetings and performed the activities summarised below:

- examination of the findings of targeted audits and of the planned improvement actions defined and monitoring of progress;
- examination of the information flows through internal procedures;
- examination of reports received by the Supervisory Body and checks of those concerning issues addressed by Legislative Decree 231/2001;
- preparation of the annual plan of Supervisory Body activities, accompanied by the budget request;
- meetings with the Control, Risks and Related Parties Committee and the Board of Auditors to exchange information on the internal control and risk management system;
- meeting with key figures within the organisation in order to encourage mutual sharing of information and to provide specific training geared to the needs of those involved.

For 2020, the ENAV Supervisory Body has planned 8 meetings, of which 1 had already been held as of the date of this Report.

Minutes were duly taken for all the meetings of the Supervisory Body.

5.5. The audit firm

The audit firm EY S.p.A was appointed to carry out the statutory audit of the separate financial statements of ENAV, the consolidated financial statements of the ENAV Group and the consolidated semi-annual financial report the ENAV Group, for the years from 2016 to 2024.

5.6. The Financial Reporting Officer

During the Financial Year, the position of Financial Reporting Officer was held by Loredana Bottiglieri, head of the Administration and Financial Statements department, who was appointed to the office by resolution of the Board of Directors on 4 May 2017, having obtained the opinion of the Board of Auditors, for the period 2017-2019 period, i.e. until the end of the term of the Board of Directors currently in office.

In accordance with the provisions of Article 18-*bis* of the Articles of Association, the Financial Reporting Officer was selected on the basis of criteria for professionalism and expertise from among executives with at least three years' experience in administrative duties in companies, or at consulting or professional firms.

The Financial Reporting Officer, together with the Chief Executive Officer, certifies with a report on the separate financial statements, the consolidated financial statements and condensed semi-annual financial statements:

- a) the appropriateness and effective application of the administrative and accounting procedures during the period to which the documents refer;
- b) that the documents have been prepared in compliance with applicable international accounting standards recognised in the European Union in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and the Council of 19 July 2002;

- c) that the documents are consistent with the books and other accounting records;
- d) that the documents provide a true and fair view of the performance and financial position of the Company and the companies included in the scope of consolidation;
- e) for the separate and consolidated financial statements, that the report on operations contains a reliable analysis of operations and performance, as well as the situation of the Company and the companies included in the scope of consolidation, together with a description of the main risks and uncertainties to which it is exposed;
- f) for the condensed semi-annual financial statements, that the interim report on operations includes a reliable analysis of the information referred to in paragraph 4 of Article 154-ter of the Consolidated Law.

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

In accordance with Article 154-bis of the Consolidated Law, on 12 March 2020 the Board of Directors verified the adequacy of the powers and resources available to the Financial Reporting Officer to perform the duties assigned and compliance with the related administrative and accounting procedures.

The duties and responsibilities of the Financial Reporting Officer and the powers and resources granted to that officer are governed in detail by specific rules, regularly updated by the Financial Reporting Officer in concert with the director in charge of the internal control and risk management system. The rules were approved by the Board of Directors of ENAV on 12 March 2018.

As of the date of this Report, incentive mechanisms were in place for the head of the Administration and Financial Statements unit, consistent with the tasks assigned. In particular, the incentives and remuneration applicable to this officer, which consist of fixed and variable components, are based on classification and weighting of the organisational roles (certified periodically by an external firm) which permit comparison with the external market. The systems are also closely related to an annual performance evaluation process, which is defined through a short-term management incentive system.

5.7. The Court of Auditors

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

The magistrate designated to audit the Company is invited to attend all of the meetings of the Board of Directors and the Board of Auditors.

During 2019, the function of magistrate delegated by the Court of Auditors was performed by Mauro Orefice.

In December 2019 the *Relazione sul risultato del controllo eseguito sulla gestione finanziaria di ENAV per l'esercizio finanziario 2018* ("Report on the findings of the audit of the financial management of ENAV for the financial year 2018") was issued. Such Report is published on the Company's website in the "Governance" section.

6. REMUNERATION OF DIRECTORS AND MANAGERS WITH STRATEGIC RESPONSIBILITIES

The Board of Directors reviews the Remuneration Report pursuant to Article 123-ter of the Consolidated Law, the first section of which is dedicated to the Remuneration Policy for directors and managers with strategic responsibilities adopted by the Company while the second reports the remuneration actually paid. As of the date of this Report, ENAV managers with strategic responsibilities are the Chief Operating Officer, the Chief Technology Officer, the Chief Financial Officer and the Chief Human Resources and Corporate Services Officer.

Legislative Decree 49 of 10 June 2019 transposed SHRD II directive, while also amending Article 123-ter of the Consolidated Law. In light of these changes, the first section of the report describing remuneration policy is now subject to the binding vote of the shareholders, whereas the second section is subject to an advisory vote. Taking account of these legislative changes and of the trends in the new Corporate Governance Code, the remuneration policy drafted by the Company seeks – in essential continuity with the past – to make an even more decisive contribution to company strategy and to the pursuit of sustainability and the long-term interests of the Company. For a discussion of the Remuneration Policy adopted by ENAV and for information on the remuneration of Directors, Auditors and other managers with strategic responsibilities, in addition to the information contained in this Report, please see the Remuneration Report prepared by the Company pursuant to Article 123-ter of the Consolidated Law, approved after examination by the Remuneration and Appointments Committee by the Board of Directors on 12 March 2020, which will be submitted to the Shareholders' Meeting called to approve the 2019 financial statements. The Remuneration Report is published in the "Governance – Shareholders' meeting 2020" section of www.enav.it.

7. BOARD OF AUDITORS

7.1. Appointment and replacement of members of the Board of Auditors

Pursuant to Article 21 of the Articles of Association, the Shareholders' Meeting appoints the Board of Auditors, which is comprised of three standing auditors from among whom its Chairman is elected, and two alternate auditors. The composition of the Board of Auditors must comply with the applicable laws and regulations regarding gender balance, where applicable.

If during the term one or more standing auditors are no longer available, the alternate auditors will replace them in the order that will ensure compliance with the laws and regulations regarding gender balance.

Statutory auditors will serve a three-year term, which shall expire on the date of the Shareholders' Meeting called to approve the financial statements of the third financial year of their term of office. Members of the Board of Auditors are selected from among those that meet the professionalism and integrity requirements under the applicable laws and regulations. The following matters are deemed closely related to the Company's scope of activities: matters relating to commercial and tax law, business administration and corporate finance, matters and sectors of activity involving communications, telematics and IT, banking, financial and insurance operations.

As regards the composition of the Board of Auditors, the applicable laws and regulations govern causes of ineligibility and limitations on the number of administrative or control offices that can be held at one time by the members of the Board of Auditors.

Each year, the Board of Auditors conducts a self-assessment formalised in internal rules to verify the appropriateness of its membership and the effectiveness of its operations. The findings of that self-assessment are notified to the Board of Directors, which at its meeting of 15 May 2019, took note of the assessment performed by the oversight body for the year.

Standing and alternate auditors are appointed by the Shareholders' Meeting based on slates submitted by shareholders, in which the candidates must be listed in consecutive order and the number of candidates proposed must not exceed the number of members to be elected. Only shareholders who alone or together with other shareholders represent at least 2.5% of the share capital, or any other amount established by Consob through its regulation for the appointment of the management and oversight bodies, are entitled to submit slates for the appointment of the Board of Auditors. The curriculum vitae of each candidate must be submitted together with each

slate, upon penalty of inadmissibility, as must the statements with which the individual candidates accept their candidacy and certify, under their responsibility, that there are no causes for ineligibility or incompatibility, and that they meet the integrity, professionalism and independence requirements prescribed by the applicable laws.

Appointed standing auditors must notify the Company without delay if they no longer meet any of these requirements, as well as any supervening causes of ineligibility or incompatibility.

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

The presentation, filing and publication of the slates is governed by the provisions of applicable law.

The slates shall contain two sections: one for candidates for the office of standing auditor and the other for candidates for the office of alternate auditor. At least the first candidates for each section must be registered with the Register of Auditors and have worked as an auditor for no less than three years.

Two standing auditors and one alternate auditor will be drawn from the slate that obtained the largest number of votes, based on the consecutive order in which they are included in the sections of the slate. The remaining standing auditor and remaining alternate auditor are appointed pursuant to applicable regulations and in accordance with the terms set forth under Article 11-bis.3, b) of the Articles of Association, applicable separately to each of the sections in which the other slates are divided.

For the appointment of members of the board of auditors who for any reason are not elected based on slates, the Shareholders' Meeting shall resolve with the majorities required by law and without observing the procedure indicated above, but in any case in such a manner as to ensure that the composition of the Board of Auditors is compliant with applicable legislation, regulations and administrative provisions, while respecting the principle of minority representation and the applicable laws on gender balance.

In this regard, it should be noted that the provisions of Law 160 of 27 December 2019 (the 2020 Budget Act), amending Articles 147-ter, paragraph 1-ter, and 148, paragraph 1-bis, of the Consolidated Law, introduced by way of Law 120 of 12 July 2011 (the "Golfo-Mosca Act") concerning gender balance in the corporate bodies of companies with publicly listed shares, went into effect on 1 January 2020, establishing that the less represented gender should hold at least two-fifths of the positions on these bodies and that the new criteria shall to apply for six consecutive terms. With its Communication no. 1 of 30 January 2020, and in anticipation of adaptations to applicable regulations that had reached the consultation phase as of the date of this report, Consob clarified that it will consider the requirement of rounding up to the nearest whole number, as established by Article 144-undecies.1, paragraph 3, of the Issuers Regulation, to not be applicable due to the mathematical impossibility for corporate bodies of just three members to comply. Accordingly, for such bodies, Consob will find rounding down to the nearest whole number in compliance with the new provision.

Given that, in accordance with Article 21 of ENAV's Articles of Association, the ENAV Board of Auditors has three standing auditors and two alternates, this Consob ruling shall apply.

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

If one of the auditors selected from the slate with the largest number of votes is replaced, he will be replaced by the first of the alternate auditors selected from that slate. If the replacement does not enable the re-establishment of a Board of Auditors that is compliant with the applicable laws on gender balance, the second of the alternate auditors selected from that same slate shall take over. If it becomes necessary to subsequently replace the other auditor selected from the slate with the largest number of votes, that auditor will be replaced by the other alternate auditor selected from that slate.

The auditors may carry out inspections and audits at any time, either individually or as a group.

The Board of Auditors monitors compliance with the law, regulations and the Articles of Association, with the principles of sound management and particularly the adequacy of the organisational, administrative and accounting arrangements adopted by the Company and its effective operation, as well as the adequacy and functionality of the overall risk management and control system. The Board of Auditors is an integral part of the overall internal control and risk management system. The Board of Auditors may request that the directors provide information on corporate operations or specific business.

7.2. Composition and operation of the Board of Auditors

During the Financial year and until 26 April 2019, the ENAV Board of Auditors included Franca Brusco (Chair), Donato Pellegrino and Mattia Berti (standing auditors), and Maria Teresa Cuomo and Francesco Schiavone Panni (alternates), all serving terms ending with approval of the separate financial statements for the year ending 31 December 2018.

On 26 April 2019, the shareholders appointed a new Board of Auditors and set the remuneration of its members.

More specifically, following the timely submission of slates in accordance with Article 21.2 of the Articles of Association and Article 144-sexies of the Issuers Regulation and without the need for reopening for submissions in accordance with Article 144-sexies, paragraph 5, of the Issuers Regulation, the Company received and published on its website, as well as on the storage mechanism as required, two slates for appointment of the Board of Auditors: (i) slate no. 1, submitted by the Ministry for the Economy and Finance, a shareholder with a 53.28% stake in ENAV; and (ii) slate no. 2, submitted by a group of investment management companies and other institutional investors, holding a 5.98% stake in ENAV and complete with appropriate declaration as to the absence of significant relationships, in accordance with applicable laws and regulations, with shareholders holding, separately or jointly, a controlling or majority stake in ENAV, i.e. with Italy's Ministry for the Economy and Finance, the majority shareholder. Voting saw the participation of 391 shareholders representing 437,243,897 ordinary shares, all with voting rights, equal to 80.71% of share capital, of which 288,669,089 shares, representing 66.02% of the share capital in attendance, in favour of slate no. 1, i.e. the majority slate, and 147,599,101 shares, equal to 33.76% of the share capital in attendance, in favour of slate no. 2, i.e. the minority slate.

In accordance with the aforementioned provisions of the Articles of Association, the standing auditors appointed to the Board of Auditors were: Dario Righetti, acting as Chair, Franca Brusco, and Pierumberto Spanò. Roberto Cassader and Francesca Parente were also appointed as alternates.

Following the appointment of the Board of Auditors, and acting on proposal of the Ministry for the Economy and Finance, the shareholders authorised gross annual remuneration in the amount of €40,000 for the chairperson and gross annual remuneration of €25,000 for each of the other standing auditors in line with the amounts established for the previous members of the Board¹³.

All of the members of the Board of Auditors will remain in office until the Shareholders' Meeting called to approve the financial statements as at 31 December 2021, which will vote on the appointment of the new Board of Auditors and their associated remuneration.

¹³ Remuneration for the acting Board of Auditors, which had originally been set at €25,000 gross per year for the chairman and €18,000 gross per year for the other standing auditors, as authorised by the shareholders on 29 April 2016, had been increased by the shareholders on 28 April 2017 to €40,000 gross per year and €25,000 gross per year, respectively.

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

Name	Office	Date of appointment
Dario Righetti	Chair	26 April 2019
Franca Brusco ¹⁴	Standing Auditor	26 April 2019
Pierumberto Spanò	Standing Auditor	26 April 2019
Roberto Cassader	Alternate Auditor	26 April 2019
Francesca Parente	Alternate Auditor	26 April 2019

The following is a summary of the personal and professional background of the individual members of the Board of Auditors at the date of this Report.

Dario Righetti



With a degree in Business Administration from Milan's Luigi Bocconi University, obtained in 1981, Dario Righetti has been a certified accountant since 1993 and a certified auditor entered in the register of auditors since 1995.

He began his career with Andersen in 1981, where he joined management in 1987 and became a partner in 1994. Following the merger of Andersen and Deloitte in 2003, he was appointed to head up Consumer & Industrial Products for Deloitte Italia (from 2005 to 2018) before becoming a member of Deloitte's EMEA Leadership Team for that segment from 2004 to 2018.

He has significant experience in auditing for major corporate groups in the manufacturing, consumer goods, and retail industries, overseeing projects for the auditing of processes and procedures and for the analysis of financial reporting.

He has also been an instructor for in-house training for Deloitte and outsourced training (for Centromarca, the Order of Certified Accountants, and Corporate University in Ferrero) on topics such as financial analysis, management control, principles of accounting and auditing, as well as business ethics (at Politecnico di Milano in February 2017). He collaborates with industry journals on articles regarding financial analysis and management control in the consumer business and retail industries. He speaks at management seminars and conferences on issues concerning management control (e.g. Centromarca, the International Horeca Meeting, and GS1).

He is currently a standing auditor for Luxottica Group S.p.A. and for Bouygues E&S Intec Italia S.p.A. and is a member of the supervisory board for SDF S.p.A., where he is also the chairman of the Internal Control Committee, as well as a member of the supervisory body for Ferrero Commerciale Italia S.p.A. He is also an independent director for Farmaè S.p.A.

He has been the chairman of the ENAV S.p.A. Board of Auditors since 26 April 2019

Franca Brusco



A graduate in Economics and Commerce from the University of Messina, since 2002 she has been a member of the Order of Certified Accountants and entered in the Register of Auditors. She operates her own accounting firm in Rome and Milan and provides assistance and consulting services on corporate issues, financial reporting and tax issues to companies, trade associations and public entities.

Since 2003, she has been a consultant for listed companies and non-profit entities in the marine infrastructure, anti-pollution, renewable energy, logistics and retail industries and the cultural world, as well as for economic and non-economic public entities. Within these areas, she has assisted management in administrative, financial, accounting and tax management, as well as the monitoring of the internal control and risk management system. She has consolidated experience in the field of business consulting on ordinary and extraordinary operations pertaining to tax issues and commercial law, giving opinions on company law, tax law and other law relating to corporate reorganisation. Her advisory support has also concerned the establishment and monitoring of administrative and accounting arrangements, the drafting of the separate and consolidated financial statements, economic and financial planning and the auditing.

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

She has also served as non-executive director for unlisted companies.

From April 2016 to April 2019 she was the Chairman of the Board of Auditors of ENAV and since 15 November 2018 the Chairman of the Board of Auditors of the subsidiary D-Flight S.p.A.

She has been a standing auditor for ENAV S.p.A. since April 2019 and for Cassa Depositi e Prestiti S.p.A. since May 2019. She is chairman of the boards of auditors for Lazio Ambiente S.p.A., Biancamano S.p.A., and CDP Industria S.p.A. and is a member of the board of auditors for the Southern Mediterranean Port Authority and for the Galleria Borghese National Museum, as well as the sole auditor for AIRRI.

Pierumberto Spanò



A graduate *cum laude* in Economics and Commerce from Libera Università Internazionale degli Studi Sociali (LUISS), he has been a certified accountant since 1988 and a certified auditor entered in the register of auditors since 1995. He has extensive experience in business and fiscal consulting for both ordinary operations and extraordinary transactions. He also has experience in management and administration in the construction, infrastructures, air transport, and pension industries. He was a member of the corporate governance research group established by Assogestioni and an instructor for post-graduate studies at a number of schools (e.g. the LUISS School of Management, CUOA, Istituto Tagliacarne, etc.) in fiscal and management disciplines. He is an occasional contributing journalist for the law and tax sections of *Il Sole24Ore*.

Since 2013, he has been an of-counsel collaborator at the tax law firm Deiure, which specialises in tax law and corporate consulting for leading Italian and multinational corporations.

He currently serves as chairman of the boards of auditors at Veneta Sanitaria Finanza di Progetto S.p.A., Astaldi Concessioni S.p.A., and Ente Previdenza Periti Industriali (EPPI). He is a standing auditor for DIRPA2 S.c.a.r.l. and Stoccaggi Gas Itala S.p.A. and is the sole auditor for Danimarca S.r.l. Piumini Danesi. He is also the chairman of the supervisory body at Astaldi S.p.A.

He has been a standing auditor at ENAV S.p.A. since 26 April 2019.

Meetings and activities

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

In 2019, the Board of Auditors met 16 times for an average of 5 hours and 40 minutes, with an average attendance of 89.81%. For additional information regarding the attendance of meetings of the Board of Auditors, please see table 3 attached to this Report.

For 2020, the Board of Auditors has planned 12 meetings, of which 4 have been held as at the date of this Report.

The Chairman of the Board of Directors ensured that, subsequent to their appointment and throughout their term of office, the members of the Board of Auditors have been able to participate in initiatives that provide them with adequate knowledge regarding the industry of the Company, corporate developments and their evolution, and the regulatory and self-regulatory context in which the Company operates. In particular, the auditors participated and will be invited to participate in the same induction initiatives organised to the benefit of Directors, as indicated in section 3.77 of this Report, which in some cases were combined with training activities organised by third parties.

The magistrate designated the Court of Auditors is always invited to participate in the meetings of the Board of Auditors.

As part of the duties assigned to it by law and in compliance with the recommendations of the Corporate Governance Code, the Board of Auditors has the power to ask the Internal Audit Department of the Company to carry out checks of specific operating areas or Company operations and the right to swiftly exchange with the Control, Risks and Related Parties Committee the information required for them to pursue their respective duties.

In carrying out its activities, the Board of Auditors has constantly coordinated with the Internal Audit Department, whose head normally attends the meetings of the Board of Auditors and of the Control, Risks and Related Parties Committee.

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

- met with the Company's Supervisory Body, receiving information and documentation and examining the report on the latter's activities for the Financial Year;
- met regularly - including on the occasion of joint meetings with the Control, Risks and Related Parties Committee - with the Director in Charge, the Financial Reporting Officer, the Chief Financial Officer, the audit firm, the Risk Management unit and other corporate units involved in the internal control system;
- met with the management and oversight bodies of the Group subsidiaries;
- in the person of the Chairman or another auditor, regularly attended the meetings of the Remuneration and Appointments Committee, the Control, Risks and Related Parties Committee and the Sustainability Committee.

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

During the year, the Board of Auditors discharged its institutional duties pursuant to the Italian Civil Code, Legislative Decree 39/2010, the Consolidated Law and Legislative Decree 254 of 30 December 2016. Its oversight activity was conducted in accordance with the provisions of the Corporate Governance Code and the Code of Conduct for the Board of Auditors issued by the Italian National Council of the Chartered Accountants and the instructions issued by Consob. In particular, these activities covered, among other things, checks concerning:

- compliance with applicable law and the Articles of Association;
- compliance with the principles of sound administration;
- the adequacy of the organisational structure and of the internal control and risk management system;
- the adequacy of the administrative and accounting system and of the independent auditing of the accounts;
- periodic financial reporting, including the semi-annual financial report at 30 June 2019 and the interim financial reports at 31 March and 30 September 2019;
- the separate and consolidated financial statements;
- the drafting of the sustainability report and the non-financial statement;
- the corporate governance rules;
- relations with subsidiaries;
- transactions with related parties.

The Board of Auditors promptly verified the independence of its members following their appointment, applying the evaluation criteria pursuant to Article 144-*novies*, paragraph 1-*bis*, of the Issuers Regulation and Application Criterion 8.C.1 of the Corporate Governance Code, as well as Article 9 of the Rules of the Board of Auditors, reporting the findings to Board of Directors and the market on 15 May 2019.

In the early months of 2020, the Board of Auditors also:

- met with the Director in Charge for the purposes of auditing the internal control and risk management system and the organisational structure and administrative and accounting arrangements, together with the other parties responsible for the internal control system;
- verified the soundness of the procedure used by the Board of Directors to assess the independence of its members;
- verified the continuing compliance of the audit firm with the independence requirements;
- issued an opinion pursuant to Article 2389, third paragraph, of the Italian Civil Code on the variable component of the remuneration of the Chief Executive Officer and the directors sitting in the Board Committees;
- met with the control and governance bodies of the subsidiaries;
- examined the letter from the Chairman of the Corporate Governance Committee of 19 December 2019.

8. INVESTOR RELATIONS

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

Specifically, the “Investor Relations” section of ENAV’s website contains the Company’s main performance and financial data and documentation, including the financial statements and the interim financial reports. Market disclosures of periodic financial highlights are made through publication of press releases on ENAV’s website and through the SDIR regulated information service.

The “Governance” section of the website contains the main documents and information regarding the ENAV’s corporate structure and information on participation in and the procedures for each ENAV Shareholders’ Meetings.

The Communication and Investor Relations department handles relations with shareholders, financial analysts and stakeholders and manages the timely release of financial information to the market. This process also includes ongoing updates provided in periodic meetings with institutional investors and participation in industry conferences, as well as the issue of information and press releases to a dedicated distribution list. In 2019, the Company pro-actively sought out and established a dialogue with ESG investors and, upon request of the corporate governance units of a number of major institutional investors, conducted various conference calls on issues related to the Company’s corporate governance.

9. SHAREHOLDERS' MEETING

9.1. Role and powers of the Shareholders' Meeting

The Shareholders' Meeting is the corporate body through which shareholders participate in the decisions of the Company on issues for which they are responsible pursuant to law and the Articles of Association.

In particular, the Shareholders' Meeting in ordinary or extraordinary session is responsible for passing resolutions, *inter alia*, concerning: (i) amendments to the Articles of Association; (ii) the approval of the financial statements and the allocation of profits; (iii) the appointment of members of the Board of Directors and the Board of Auditors and deciding their remuneration and any suits against such officers; (iv) the appointment and termination, acting on a proposal of the Board of Auditors, of the audit firm; (v) authorisation for the purchase and disposal of treasury shares; (vi) authorisation of share-based remuneration plans; and (vi) other matters expressly granted to by law and the Articles of Association.

9.2. Conducting the business of the Shareholders' Meeting

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

9.3. Calling the Shareholders' Meeting

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

Following the amendment of the provisions of Article 7.2 of the Articles of Association, approved by the extraordinary Shareholders' Meeting of 26 April 2019, the Ordinary Shareholders' Meeting shall be called at least once a year within 180 days from the end of the year to approve the financial statements, as the Company is required to prepare consolidated financial statements.

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

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

Entitlement to attend and vote at the meeting

Every shareholder entitled to participate in the Shareholders' Meeting may do so through a representative, including non-shareholders, with a written proxy, as provided for by law. The proxy may be notified to the Company electronically, through the appropriate section on the Company's website indicated in the notice of call. The same notice of call may also indicate, pursuant to applicable law, additional procedures for digital notification of proxies, which can be used in the specific Shareholders' Meeting to which the notice refers. To facilitate the collection of proxies from shareholders who are employees of the Company or its subsidiaries and belong to shareholder associations that meet the requirements laid down by applicable law, facilities to be used for communication and the collection of proxies are made available to these associations in accordance with the terms and procedures agreed with their legal representatives.

For individual Shareholders' Meetings, the Board of Directors may provide that the persons eligible to attend and vote a Meeting can participate via electronic telecommunications systems. In this case, the notice of call shall specify, including by way of a reference to the Company's website, the procedures for participation.

For each Shareholders' Meeting, the Company may designate an individual whom the shareholders may authorise by way of a proxy containing voting instructions on all or some of the items on the agenda to vote on their behalf, following the procedures set out by law and regulations, by the end of the second trading day prior to the date set for such Shareholders' Meeting, including for further calls. The proxy will not be effective for items for which no voting instructions have been given.

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

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

Experts, financial analysts and accredited journalists may also attend the Shareholders' Meeting at the Chairman's discretion, as may other individuals who must submit a specific request to this end to the Company, in accordance with the procedures and by the deadlines set forth in the notice of call.

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

Proceedings of the Shareholders' Meeting

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

The Chairman of the Shareholders' Meeting confirms the valid constitution of the Meeting, verifies the identity and eligibility of those present, governs the proceedings of the Meeting and verifies the results of voting. The outcomes of these verifications shall be reported in the minutes.

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

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

Speaking at the Shareholders' Meeting

Pursuant to the Shareholders' Meeting Rules, the Chairman of the Shareholders' Meeting will facilitate the discussion and give the floor to the Directors, members of the Board of Auditors and other persons that have requested to speak.

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

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

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

Those who have requested the floor may respond briefly.

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

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

9.4. The Shareholders' Meeting of 26 April 2019

The 2019 Shareholders' Meeting called to approve the financial statements at 31 December 2018 was held on single call on 26 April 2019, with the participation of shareholders representing 80.17% of the share capital.

The Board of Directors took part in the meeting, providing through the Chief Executive Officer complete and appropriate information to the shareholders on the items on the agenda, after having filed the reports accompanying the proposed resolutions by the statutory deadlines at the Company's registered office and published on the Company's website as well as with the other procedures established by the applicable regulations. Physical copies of these reports were also delivered to the shareholders who attended the 2019 Shareholders' Meeting, together with additional documents in order to enable the informed exercise of voting rights.

On that occasion, the Shareholders' Meeting approved, in extraordinary session, an amendment of Article 7.2 of the Articles of Association concerning the calling of the Ordinary Shareholders' Meeting and, in ordinary session, the Company's financial statements for 2018 and reviewed the consolidated financial statements.

The following is an overview of other matters submitted for approval to the 2019 Shareholders' Meeting and a summary of the resolutions adopted.

Dividend

The 2019 Shareholders' Meeting resolved to pay shareholders a dividend of €108,240,528.12, equal to €0.1998 per ordinary share. The dividend payment occurred on 22 May 2019, with an ex-dividend date of 20 May 2019 and a record date of 21 May 2019. The dividend payment notice was published in the newspapers "Il Sole 24 Ore" and "Milano Finanza" on 27 April 2019.

Remuneration Report

The 2019 Shareholders' Meeting voted in favour of the first section of the Remuneration Report prepared in accordance with Article 123-ter, paragraph 3, of the Consolidated Law, approved by the Board of Directors on 11 March 2019 and containing the remuneration policy of the Company for 2019. The Report was approved by 96.18% of the share capital present at the Meeting.

Appointment of the Board of Auditors and determination of remuneration for standing auditors

With approval of the financial report for the year ended 31 December 2018, the three-year term (2016-2018) of the Board of Auditors came to an end. At the Shareholders' Meeting of 26 April 2019, based on the slates submitted by the Ministry for the Economy and Finance (Slate 1) and by a group

of asset-management companies and other institutional investors (Slate 2), the shareholders appointed the members of the Board of Auditors for the 2019-2021 term, and namely: Dario Righetti (Slate 2), the board's chairman; Franca Brusco (Slate 1) and Pierumberto Spanò (Slate 1), as standing auditors; and Roberto Cassader (Slate 2) and Francesca Parente (Slate 1), as alternates. On that same date, the shareholders also confirmed the remuneration for the standing members of the Board of Auditors at €40,000 gross per year for the chairman and €25,000 gross per year for each standing auditor.

Re-establishment of the authorised number of members of the Board of Directors with the appointment of a director and the appointment of the Chairman of the Board of Directors

Given the resignation of the acting Board chairman on 8 November 2018, shareholders at the 2019 Shareholders' Meeting were called upon to re-establish of the number of members the Board authorised by the shareholders on 28 April 2017 and to appoint the chairman of the Board of Directors. In this regard, the shareholders authorised the appointment of Pietro Bracco to the Board of Directors and confirmed Nicola Maione as the Chairman.

10. OTHER CORPORATE GOVERNANCE PRACTICES

10.1. Directors' Interests and related party transactions

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

The *Procedure governing transactions with related parties* (the "RPT Procedure"), adopted in accordance with the provisions of applicable law, and in particular Article 2391-*bis* of the Italian Civil Code and Article 4 of the Related Parties Regulation, was most recently updated by the ENAV Board of Directors, having obtained the opinion of the Control, Risks and Related Parties Committee, on 12 December 2018.

The Control, Risks and Related Parties Committee is also charged, pursuant to its Rules, with operating as the committee for related party transactions, performing the functions envisaged in the Related Parties Rules the RPT Procedure.

The RPT Procedure determines the criteria and procedures for identifying and mapping the related parties of the Company as well as the quantitative criteria for identifying transactions with related parties carried out by ENAV, either directly or through its subsidiaries, trustees or persons interposed, of minor or major relevance, respectively, by regulating the investigation and approval process, in order to ensure transparency and substantial as well as procedural correctness of the same operations.

In particular, the RPT Procedure distinguishes between:

- low-value transactions: transactions with related parties with a value not exceeding €200,000 if concluded with natural persons and €600,000 if concluded with legal persons, provided they do not contain risks for investors that are connected to the characteristics of the transaction itself and provided that these transaction do not have a significant impact on the Company's financial position, having regard to their size;
- transactions of greater importance: transactions with related parties for which at least one of the materiality indicators set forth in the RPT Procedure, applicable in relation to the specific transaction, exceeds the 5% threshold, and transactions, even if lower than the above thresholds, that have a strategic value that is significant or affects the operating independence of the Company or of its subsidiaries;

In accordance with the provisions of Article 5, paragraph 2, of the Related Parties Regulation, under the RPT Procedure the threshold qualifying a transaction as of greater importance may also be exceeded as a result of the accumulation of multiple transactions of lesser importance (as defined below).

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

- (i) of an amount greater than the low-value threshold and smaller than the greater importance threshold;
- (ii) carried out during the same financial year;
- (iii) entered into with the same related party;
- (iv) not included among the exemptions provided for under the RPT Procedure;
- (v) uniform and/or carried out as part of a unified plan, and therefore linked by their nature and characteristics or the purposes for which they were carried out. To that end, the transactions carried out by subsidiaries, domestic or otherwise, trustees or intermediaries shall also be considered.

If the above conditions are met, the value of individual transactions (as defined in point (i) above) is aggregated for the purpose of determining whether the greater importance threshold has been exceeded, which would trigger the related investigation and approval process and the reporting obligations provided for under applicable regulations:

- transactions of lesser importance: transactions with related parties other than transactions of greater importance and low-value transactions;

- ordinary transactions concluded on standard market conditions: transactions that form part of the ordinary operations of the Company and its connected financial activities which are concluded at arm's length on the conditions usually applied for transactions of corresponding size and risk, or which are based on regulated rates or prices that are imposed or applied to individuals/entities with whom ENAV (or the companies that it directly or indirectly controls) is required by law to contract at a specific price.

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

- a) low-value transactions;
- b) resolutions of the Shareholders' Meeting concerning remuneration payable to the Board of Directors pursuant to Article 2389, first paragraph, of the Civil Code;
- c) resolutions regarding the remuneration of Directors with particular duties which fall under the total amount set by the Shareholders' Meeting pursuant to Article 2389, third paragraph, of the Civil Code
- d) resolutions of the Shareholders' Meeting regarding remuneration payable to the Board of Auditors, pursuant to Article 2402 of the Civil Code.

The following are also exempt from application of the RPT Procedure, without prejudice to the disclosure obligations provided for in that procedure or the Related Parties Regulation:

- a) remuneration plans based on financial instruments approved by the Shareholders' Meeting pursuant to Article 114-*bis* of the Consolidated Law and the associated transactions implementing the plans;
- b) resolutions regarding the remuneration of directors and board members vested with particular duties as well as managers with strategic responsibilities;
- c) ordinary transactions concluded under conditions equivalent to market or standard terms, without prejudice to the reporting obligations provided for by law.
- d) transactions with or between ENAV subsidiaries, even jointly, and transactions with ENAV associated companies, provided that other related parties of the Company have no significant interests in the subsidiaries or associated companies involved in the transaction.

A central role in the architecture of the RPT Procedure is played by the Control, Risks and Related Parties Committee, which is required to provide the authorising body – the Board of Directors or any other competent delegated body - a reasoned opinion assessing the Company's interest in completing the transaction as well as its beneficial nature and the substantive fairness of the related conditions. In order to enable the Control, Risks and Related Parties Committee to issue the required opinions, the RPT Procedure establishes specific information flows, which in the case of transactions of greater importance include the negotiation stage, during which Committee members may formulate comments or request additional information.

In terms of its effectiveness, the required opinion is:

- not binding in the case of transactions of lesser importance. However, if the opinion is unfavourable, within 15 days of the end of each quarter of the financial year, the Company shall provide the public a document specifying, for each such transaction, the counterparty, the purpose and the amount of the transactions approved in the quarter, indicating the reasons why it did not agree with that opinion. By the same deadline, the opinion shall be made available to the public as an annex to the document cited above;
- binding in the case of transactions of greater importance. If the opinion is unfavourable, the Company's Board of Directors may submit transactions of greater importance for authorisation to the Shareholders' Meeting. In this case, without prejudice to compliance with the quorum required for establishment and resolutions of the Shareholders' Meeting and save as otherwise provided for by the Articles of Association or required by law, the transactions of greater importance may not be carried out if the majority of the non-related shareholders with voting rights vote against approval of the transaction, provided that the

latter shareholders represent at least 10% of the share capital with voting rights at the Meeting.

A simplified procedure is provided for where approval is a matter of urgency, in derogation from the procedures governing transactions of lesser and greater importance, provided that such transactions do not fall under the competence of the Shareholders' Meeting, notwithstanding in any case the provision for of a non-binding vote on such transactions expressed ex post by the first subsequent ordinary Shareholders' Meeting of the Company.

In addition to the foregoing, the Board of Directors, the Board of Auditors and the Financial Reporting Officer receive complete disclosure on at least a quarterly basis on the execution of transactions with related parties of both lesser and greater importance. In compliance with the requirements of the Related Parties Regulation, the RPT Procedure also governs the public disclosure of transactions with related parties carried out by ENAV and its subsidiaries.

Having regard to the provisions of Article 2391 of the Italian Civil Code, on the occasion of each meeting of the ENAV Board of Directors, the directors are invited to declare at the opening of the proceedings whether they have any interest connected with the items on the agenda.

In accordance with Legislative Decree 49 of 10 June 2019, transposing the SRD II and which introduced, *inter alia*, significant legislative changes in the area of related-party transactions, assigning responsibility to Consob for implementation of the new provisions, the Company constantly monitors the legislative and regulatory framework in order to make timely adjustments to the organisation's related-party practices and the RPT Procedure.

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

10.2. Guidelines concerning the Market Abuse Regulation and internal dealing procedures

The Company adopts and constantly updates its controls regarding the internal management and external dissemination of documentation and information concerning ENAV and its subsidiaries, with particular reference to the inside information referred to in Regulation (EU) no. 596/2014 (the "MAR Regulation") or information that is likely to become such.

The rules and principles contained in the Guidelines for the management of inside information (the "MAR Guidelines"), are aimed at ensuring compliance with the provisions of applicable market abuse laws and regulations¹⁵ and ensuring preservation of the maximum confidentiality of information that already qualifies as inside information or is otherwise likely to become such information, in order to prevent the selective dissemination of documentation and information concerning ENAV and the Group, such as advance release to certain parties, or delayed, incomplete or otherwise inadequate dissemination.

The MAR Guidelines therefore represent a updated, comprehensive body of rules, governing, among other things, the handling of price sensitive or significant information, the maintenance of the insider register and the register of significant information, the procedure for delaying the dissemination of inside information and information flows within the company organisation and with subsidiaries in this area.

The MAR Guidelines, which are a fundamental component of the Company's ICRMS and an integral part of the overall system for preventing the offenses referred to in Legislative Decree 231/2001, are available on the Company's website at www.enav.it.

The Internal Dealing Procedure, most recently updated with a resolution of the Board of Directors on 15 May 2019, governs the disclosure obligations and the limitations on transactions involving financial instruments issued by the Company, or derivative instruments or other financial

¹⁵ The MAR Guidelines take account of: (i) the MAR and subsequent delegated and implementing regulations; ii) the applicable provisions of Legislative Decree 58/1998 (the Consolidated Law on Financial Intermediation); and iii) the recommendations of the Consob guidelines for handling inside information, published on 13 October 2017.

instruments linked thereto, where carried out by relevant persons and persons closely associated with them.

The Company has also adopted a code of conduct for significant shareholders (the “Internal Dealing Code”), most recently updated with a resolution of the Board of Directors on 13 November 2018, relating to transactions involving financial instruments issued by ENAV, or derivative instruments or other financial instruments linked thereto, where carried out by significant shareholders (i.e., those holding at least 10% of the capital of ENAV) and persons closely associated with them.

The Internal Dealing Procedure and the Internal Dealing Code are available on the Company’s website at www.enav.it.

10.3. Code of Ethics

The Code of Ethics of the ENAV Group governs all the rights, duties and responsibilities that ENAV expressly assumes in respect of the stakeholders with whom it interacts on a daily basis in the performance of its activities. The rules of the Code of Ethics apply to all the corporate bodies, management, employees, external associates, commercial partners, suppliers and all those who have relations with the Company and in general the companies that belong to the Group. The Code of Ethics was most recently updated by resolution of the Board of Directors on 26 February 2019 in order to bring it into alignment with the current body of procedure governing certain additional principles of conduct regarding, *inter alia*: the protection of the reputation and image of the company, the protection of whistle-blowers, the prevention of corruption, personnel policy (i.e. selection, hiring and training processes), relations with national and international supervisory authorities, and relations with contractors and subcontractors.

The adoption of certain standards of conduct to be observed in interactions with third parties is part of the Company’s commitment, including in relation to preventing the offenses referred to in Legislative Decree 231/2001 and preventing of corruption and fraud.

Furthermore, the Code of Ethics follows the principles set out in the “*Code of conduct for public employees*” referred to in Presidential Decree 62 of 16 April 2013, issued by the Government to “*ensure ... compliance with the constitutional duties of diligence, loyalty, impartiality and exclusive service in the public interest*”.

ENAV’s Code of Ethics recognises the following principles and fundamental values for the affirmation of the Company’s mission, which the various stakeholders must refer to in order to foster the good operation, reliability and reputation of the Company: rule of law, safety, confidentiality, honesty and propriety, responsibility, equality, Integrity, transparency, equity and sustainability.

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

Pursuant to applicable law, the Company assesses conduct that violate the principles of the Code of Ethics, applying, in the exercise of its prerogatives as an employer, any disciplinary sanctions that may be warranted, based on the seriousness of the circumstances.

The Code of Ethics is available to the public on the Company’s website at www.enav.it.

10.4. Code of conduct for fighting corruption

The ENAV Group founds its action on broader compliance with the anti-corruption rules set out in national and international law (“anti-corruption laws”) and as a result opposes and does not tolerate in any way bribery, fraudulent behaviour or illicit or irregular conduct in general that may be actively or passively committed by its employees or third parties such as contractors, consultants, suppliers, commercial partners, agents and other individuals, legal entities and de facto entities that have relations with ENAV or its subsidiaries.

The management of ENAV and its subsidiaries is directly committed to complying with anti-corruption laws and to raising awareness of and disseminating these rules and principles within its organisation in order to prevent corruption, adopting a “zero tolerance of corruption” approach. In

this context, in addition to the other governance and compliance arrangements already in place, ENAV has adopted a Code of Conduct for fighting corruption (the “Anti-Corruption Code”), bearing in mind the provisions of ISO 37001. Compliance with the Anti-Corruption Code is mandatory for all Group companies.

The Anti-Corruption Code is part of a comprehensive body of internal regulation consisting, in addition to the Code of Ethics, of policies, procedures, guidelines, rules and management systems that govern in detail the individual areas of action, which ENAV staff must comply with. The Anti-Corruption Code, which provides guidance on ethical and behavioural issues and is applied in conjunction with this body of rules, is intended to:

- indicate the activities most exposed to acts of corruption identified by ENAV on the basis of an assessment of the risk associated with the operations of the Company and its subsidiaries;
- specify the principles for identifying and preventing potential acts of corruption, safeguarding the integrity and reputation of the Group;
- provide general information to employees about unauthorised conduct;
- identify the duties of employees;
- identify the penalties applicable to violations of these precepts.

Pursuant to the Anti-Corruption Code, which also refers to the Whistle-blowing Rules, which are available on the ENAV website, employees (and more generally all others subject to its provisions) shall report any action potentially in violation of the above legislation of which they may be informed to the Internal Audit Officer through the whistleblowing system and to the Supervisory Body.

The ENAV Group has also established an anti-corruption compliance programme inspired by the principles of the international standard ISO 37001 and by market best practices. This programme comprises the following components:

- Group Code of Ethics;
- Internal anti-corruption manual;
- 231 Compliance Model for Italian companies;
- Anti-corruption code of conduct (the Anti-Corruption Policy) for the Group;
- Whistleblowing management system;
- Whistleblowing regulation.

This set of policies, codes and systems also includes:

- verification of whistle-blower reports and planned verification the activities at greatest risk;
- anti-corruption training for employees;
- annual reassessment of activities aimed and continuous improvement.

In 2019, an assessment was conducted with the support of an external company in order to identify any gaps between ENAV’s anti-corruption model and the ISO 37001 standard.

11. CHANGES AFTER BALANCE SHEET DATE

No further changes occurred after the close of the year.

12. CONSIDERATIONS ON THE LETTER OF 19 DECEMBER 2019 FROM THE CHAIRMAN OF THE CORPORATE GOVERNANCE COMMITTEE

On 19 December 2019, the Chairman of the Corporate Governance Committee, composed by the industry associations ABI, ANIA, Assonime, Confindustria and professional investors (Assogestioni), as well as by Borsa Italiana S.p.A. (the “Corporate Governance Committee”), exercising the prerogatives entrusted thereto by the Corporate Governance Code, wrote a letter to the chairmen of the management and oversight bodies and the chief executive officer of Italian listed companies regarding specific areas of corporate governance, offering suggestions designed to ensure better compliance by issuers with the recommendations in the Corporate Governance Code, also reflecting the monitoring performed by the Corporate Governance Committee, the findings of which were included in the annual report on the application of the Corporate Governance Code attached to that letter.

In light of the revisions to the Corporate Governance Code, a process that began in 2019 and was completed on 31 January 2020 with publication of the new version of the Code¹⁶ applicable from 2021, this year the Committee has chosen to complement the usual recommendations aimed at addressing certain critical issues that still exist in application of the Code currently in force with suggestions for certain lines of development, with the goal, above all, of ensuring the central importance of corporate sustainability in defining governance structures and strategies.

The letter in question was examined independently by the Board of Auditors and by the Board Committees on 23 January 2020. The recommendations presented in the letter were then brought to the attention of the ENAV Board of Directors in its meeting of 27 January 2020 and returned to within the context of the collective board review and evaluation.

The following offers an overview of the governance issues addressed in the and a concise summary of the actions undertaken by the Company or the considerations of the Board of Directors in this regard.

“The Committee invites the management bodies to integrate the sustainability of the business activity into the definition of strategies and remuneration policies, also on the basis of an analysis of the relevance of the factors that may affect long-term value generation.”

This area of improvement derives not only from the monitoring of application of the prevailing Code, but also follows the lines of development that have then been implemented in the new version of the Code. Criterion 1.C.1, letter b, of the current Code already includes guidance on the importance of a sustainable vision in business activities, recommending that risk management policies assess factors that can be relevant in terms of the medium to long-term sustainability of an issuer’s activities and, in the comments to Article 4, recommends assigning specific board support functions in relation to sustainability to a committee within the board.

The ENAV Board of Directors has always paid great attention to the management of sustainability issues in relation to the Company’s operations and ability to pursue the creation of value for stakeholders over the long term. This propensity has guided ENAV’s entire path to sustainability, beginning with the first pilot non-financial disclosure, used to trigger the reporting processes needed for this document before it became mandatory in 2018. Over time, the Company has developed virtuous annual practices to engage with stakeholders in order to understand the most appropriate directions for action in the area of ESG and to prepare the related materiality matrix.

¹⁶ The Code has been reformed for the purpose, *inter alia*, of: (i) rationalising and streamlining structures along with a redesign of the approach to publication; (ii) further strengthening the issue of sustainability in corporate activities as an essential driver integrated into business strategies; (iii) reinforcing certain best practices and adopting evolutions in best practice; and (iv) organising the recommendations of the Code in a manner that is more proportionate to the size and ownership structure of companies.

The importance given to these issues then led to the creation of the Sustainability Committee, which has been assigned important advisory duties in the area of sustainability, and last year, with the support of the committee, the first Sustainability Report, complete with the reporting obligations of Legislative Decree 254/2016, was published with a more strategic vision of sustainability within ENAV.

The Sustainability Plan, which consolidates the integration of a sustainable business model throughout the value chain in line with the UN's 17 sustainable development goals, represents the crux of the Company's strategy. In 2019, a sustainability assessment was also conducted and pointed to the level of maturity reached by the Company in relation to one of the highest, most authoritative sustainability standards and related initiatives aimed at further developing Company practice with the goal of achieving ever greater alignment with industry best practices. Today, based on the plan, and in light of the important information gathered from the assessment conducted, we have further structured a system of remuneration for the CEO and for management, which consolidates our integrated vision whereby the business tempered by the progressive refinement of actions of non-financial relevance over an increasingly long time horizon.

In terms of diversity within the management and oversight bodies, alongside the soft-law provisions of the Corporate Governance Code and other recently enhanced legislation, laws, regulations and company by-laws are now being further consolidated in relation to recent changes to the Consolidated Law¹⁷, which have resulted in an increase in the required proportion of the less represented gender.

The Company has adopted a policy regarding diversity in the composition of the management and control bodies, which includes certain guidelines aimed at ensuring the most extensive and appropriate diversity in points of view within corporate governance, with particular regard to the education and experience of the members of the management and oversight bodies, while also calling for procedures for monitoring application of the policy.

Furthermore, the Company's commitment in this regard is effectively aimed at the entire organisation with the publication of a diversity and inclusion policy designed to encourage an inclusive culture that empowers people to express their full potential, each based on their own experience and various cultural backgrounds regardless of gender, age or other facets of diversity.

In terms of risk, enterprise risk management now includes sustainability risks within its risk-mapping system and, in the same way, the practical actions and initiatives that the Board implements are constantly examined in relation to this essential aspect.

This virtuous journey of sustainability that the Company has been undertaking thanks, in part, to the current board has projected ENAV towards the future, while also entailing, given this historic moment and the level of maturity achieved, additional accountability to investors as well as future generations and society at large.

"The Committee recommends that the companies, also in any rules governing the board's work session, adequately manage the information flows to the management bodies, ensuring that the need for confidentiality is met without compromising the completeness, usability and timeliness of the information."

The Committee has noted that 75% of the companies that have adopted the Code have accurately quantified the advance notice normally deemed appropriate in providing information prior to a meeting of the board. This certainly includes ENAV, as the Company, first of all, can count on relevant provisions in the Articles of Association that are always observed and are referenced each year within the Report on Corporate Governance and Ownership Structure. Therefore, on the whole, the identification, both *ex ante* and *ex post*, of the quality and timeliness of information provided to the Board of Directors is in no way a critical issue for ENAV. In this regard, it should be noted that the Board of Directors, in pursuing the path of digitalisation that began in 2017, maintains a boardroom-management service based on a highly secure digital platform that can be accessed remotely and which ensures the full availability, without interruption, of the information needed to

¹⁷ See the amendment to Articles 147-ter and 148 of the Consolidated Law introduced in the 2020 Budget Act (Law 160 of 27 December 2019).

properly fulfil the Board's duties while also allowing for the highest standards of security and confidentiality.

“The Committee invites the management bodies to apply with greater rigour the independence criteria defined by the Code and the oversight bodies to monitor the correct application of these criteria. The Committee, in addition to reaffirming the exceptionality and the necessary individual motivation – linked therefore to the concrete case of the individual director – regarding the decision not to apply every criterion of independence recommended by the Code, invites the issuers to pay more attention to the assessment of the significance of the relations subject to evaluation. To this end, the Committee invites the management bodies to define ex-ante the quantitative and/or qualitative criteria to be used for the evaluation of the significance of the relations under examination. These criteria should relate to the overall position, not limited to the merely economic interest, of the director whose independence is being assessed, and to find adequate and transparent disclosure to the market in the corporate governance report.”

In this regard, the ENAV Board of Directors has adopted appropriate criteria and sound, transparent assessment processes that have been adequately reported to the public in conjunction with the assessments and within this report. The Board has always conducted in-depth evaluations, assessing substance and not merely form. Conducted at least once per year, these assessments were last conducted in conjunction with the appointment to the Board of Pietro Bracco, which took place at the 2019 Shareholders' Meeting. None of the criteria of the Code have ever not been applied, and the appropriateness of the assessment process adopted for these purposes has been viewed positively by the Board of Auditors. For teleological affinity, the practice adopted by the Board should also be reiterated, in that, in relation to the provisions of Article 2391 of the Civil Code and in conjunction with each meeting, the directors are called upon, at the start of each meeting, to declare any interests of their own or of others that concern any of the items of business on the agenda.

“Also in light of the comparative analysis, the Committee recommends that the boards of directors – and the relevant committees responsible for remuneration – verify that the amount of compensation paid to non-executive directors and members of the oversight bodies corresponds to the competence, professionalism and commitment required of their position. For this purpose, a valid source of assistance could be a comparison with the remuneration practices in companies of similar size or sector, possibly considering relevant foreign experience.”

The final area of improvement identified this year by the Committee concerns the remuneration of non-executive directors and members of the oversight body. It is first noted that this remuneration requires an assessment of the expected responsibilities and commitment of these individuals in fulfilling their duties. This applies both to non-executive Directors involved in the Board's committees, who are assigned a greater advisory role, and to the statutory auditors, who participate in these activities in addition to the other responsibilities and commitments of their role, including in relations with supervisory authorities. In this regard, the Committee has conducted a comparative study with other systems and noted that such remuneration is somewhat lower. As a result, the Company is responsible for studying the matter to verify the data on this remuneration.

While noting that determining the remuneration of standing auditors remains a prerogative of the shareholders, the thrust of the recommendation of the Committee is to conduct a comparative analysis of the effort actual required for these roles with the support of the Remuneration and Appointments Committee.

Based on the outcome of the analyses conducted by the Remuneration and Appointments, the Board of Directors has positively assessed the continuity of the policy concerning the remuneration paid to the members of the Board of Auditors as determined by the shareholders in their meeting of 26 April 2019, i.e. €40,000 gross per year for the chairman of the Board of Auditors and €25,000 gross per year for each standing auditor.

SECTION III - SUMMARY TABLES

TABLE 1: INFORMATION ON THE OWNERSHIP STRUCTURE

SHARE CAPITAL STRUCTURE				
Share Category	Number of shares	% of share capital	Market of listing	Rights and obligations
Ordinary shares	541,744,385	100	Mercato Telematico Azionario	The shares are not divisible and every entitles the holder to one vote. The shares are registered and freely transferable.

As of the date of this Report, the Company held 1,200,000 treasury shares in its portfolio, equal to 0.22% of share capital. The MEF holds 53.28% of the share capital; the float amounts to 46.72%.

TABLE 2: STRUCTURE AND COMPOSITION OF THE BOARD OF DIRECTORS AND ITS COMMITTEES

Board of Directors													Control, Risks and Related Parties Committee		Remuneration and Appointments Committee ^(b)		Sustainability Committee ^(b)	
Office	Members	Year of birth	Date of initial appointment*	In office since	In office until	Slate	Exec.	Non-exec.	Independent under Corp. Gov. Code	Independent under Consolidated Law	No. other offices	(*)	(*)	(**)	(*)	(**)	(*)	(**)
Chairman	Nicola Maione	1971	19/09/2014	28/04/2017	approval of 2019 financial statements	M	-	X	-	X	1	12/12	-	-	-	-	-	-
Chief Executive Director (◊)(•)	Roberta Neri	1964	30/06/2015	28/04/2017	approval of 2019 financial statements	M	X	-	-	-	1	12/12	-	-	-	-	-	-
Director	Giuseppe Acierno	1968	28/04/2017	28/04/2017	approval of 2019 financial statements	M	-	X	X	X	-	10/12	-	-	10/10	P	4/4	P
Director	Pietro Bracco ^(a)	1974	26/04/2019	26/04/2019	approval of 2019 financial statements	M	-	X	X	X	-	8/8	-	-	3/3	M	5/5	M
Director	Maria Teresa Di Matteo	1958	19/09/2014	28/04/2017	approval of 2019 financial statements	M	-	X	-	-	-	11/12	-	-	7/10	M	-	-
Director	Fabiola Mascardi	1962	28/04/2017	28/04/2017	approval of 2019 financial statements	m	-	X	X	X	2	12/12	14/14	M	-	-	8/9	M
Director	Carlo Paris	1956	28/04/2017	28/04/2017	approval of 2019 financial statements	m	-	X	X	X	1	12/12	-	-	7/7	P	5/5	M/P
Director	Antonio Santi	1977	28/04/2017	28/04/2017	approval of 2019 financial statements	m	-	X	X	X	2	11/12	14/14	P	-	-	-	-
Director	Mario Vinzia	1962	29/04/2016	28/04/2017	approval of 2019 financial statements	M	-	X	-	-	-	12/12	14/14	M	-	-	-	-
No. of meeting held during the year :				Board of Directors: 12				Control, Risks and Related Parties Committee: 14				Remuneration and Appointments Committee: 10		Sustainability Committee: 9				
Quorum required for presentation of the minority slates for election of one or more members (pursuant to Article 147-ter of the Consolidated Law): 1%																		
In the “Office” column: • Director in charge of the Internal Control and Risk Management System ◊ Chief Executive Officer or CEO. * The date of initial appointment is the date on which the director was appointed for the first time to ENAV’s BoD. ** This column indicates the slate from which each director was drawn (“M”: majority slate; “m”: minority slate; “BoD”: slate presented by BoD.																		

***This column reports the number of positions held by the person concerned as director or member of the board of auditors in other companies listed on regulated markets, including abroad, as well as in financial companies, banks, insurance companies, or other large companies. This Report indicates the positions in full.

(*) This column indicates the attendance of the directors at the meetings respectively of the BoD and the committees relative to the total number of meetings they might have attended.

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

(a) Pietro Bracco has been appointed director of the Company with a resolution of the Shareholders’ Meeting of 26 April 2019.

(b) Following the appointment of Pietro Bracco as director of the Company, the Board approved the reorganisation of the membership of the Board committees in order to redistribute the workload, with specific regard to the Remuneration and Appointments Committee and the Sustainability Committee. Thus, as from the Board resolution of 15 May 2019 to the date of this Report: (i) Remuneration and Appointments Committee, formerly 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), is now entirely composed of independent non-executive directors, Giuseppe Acierno acting as Chairman, Pietro Bracco and Maria Teresa Di Matteo; and (ii) the Sustainability Committee , formerly composed of independent non-executive directors Giuseppe Acierno (acting as Chairman), Fabiola Mascardi and Carlo Paris, is composed of the independent non-executive directors Carlo Paris (acting as Chairman), Pietro Bracco and Fabiola Mascardi.

TABLE 3: STRUCTURE OF THE BOARD OF AUDITORS

Board of Auditors									
Office	Members	Year of birth	Date of initial appointment*	In office since	In office until	Slate**	Independent under Corp. Gov. Code	Attendance at Board meetings***	No. of other offices ****
Chairman	Dario Righetti	1957	26/04/2019	26/04/2019	approval of 2021 financial statements	m	X	8/9	3
Standing auditor	Franca Brusco	1971	29/04/2016	26/04/2019	approval of 2021 financial statements	M	X	16/16	5
Standing auditor	Pierumberto Spanò	1961	26/04/2019	26/04/2019	approval of 2021 financial statements	M	X	9/9	5
Alternate auditor	Roberto Cassader	1965	26/04/2019	26/04/2019	approval of 2021 financial statements	m	X	-	-
Alternate auditor	Francesca Parente	1982	26/04/2019	26/04/2019	approval of 2021 financial statements	M	X	-	-
Number of meetings during the period: 16									
Quorum required for presentation of the minority slates for election of one or more members (pursuant to Article 147-ter of the Consolidated Law): 1%									
Auditors leaving office during the period ****									
Standing auditor	Mattia Berti	1968	20/06/2016	21/06/2016	approval of 2018 financial statements	-	X	5/6	8

Standing auditor	Donato Pellegrino	1948	20/07/2015	29/04/2016	approval of 2018 financial statements	-	X	4/6	0
Alternate auditor	Maria Teresa Cuomo ¹	1973	29/04/2016	29/04/2016	approval of 2018 financial statements	-	X	-	-
Alternate auditor	Francesco Schiavone Panni	1954	28/04/2017	28/04/2017	approval of 2018 financial statements	-	X	-	-

NOTES

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

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

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

**** The appointment of the outgoing Board of Auditors took place prior to the listing of the Company's shares, thus not using the slate voting mechanism.