



ASTM S.P.A.

[www.astm.it/en](http://www.astm.it/en)

## **REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE**

drafted pursuant to article 123-*bis* of the TUF (Consolidated Law on Finance)  
(traditional management and control model)

2019

Approved by the Board of Directors on 14 April 2020

## CONTENTS

GLOSSARY	4
1.0 ISSUER'S PROFILE	6
2.0 INFORMATION ON OWNERSHIP STRUCTURE (PURSUANT TO ART. 123-BIS, PARAGRAPH 1 OF THE TUF) AT 14 APRIL 2020	9
a) Share capital structure (pursuant to article 123-bis, paragraph 1(a) of the TUF)	9
b) Restrictions on the transfer of securities (pursuant to article 123-bis, paragraph 1(b) of the TUF)	10
c) Significant shareholdings (pursuant to article 123-bis, paragraph 1(c) of the TUF)	10
d) Shares that confer special rights (pursuant to article 123-bis, paragraph 1(d) of the TUF)	10
e) Employees' share ownership: exercise of voting rights (pursuant to article 123-bis, paragraph 1(e) of the TUF)	10
f) Restrictions on voting rights (pursuant to article 123-bis, paragraph 1(f) of the TUF)	10
g) Shareholders' agreements (pursuant to article 123-bis, paragraph 1(g) of the TUF)	11
h) Change of control clauses (pursuant to article 123-bis, paragraph 1(h) of the TUF) and provisions on takeover bids contained in the Articles of Association (pursuant to articles 104, paragraph 1-ter, and 104-bis, paragraph 1)	12
i) Powers to increase the share capital and authorisations to purchase treasury shares (pursuant to article 123-bis, paragraph 1(m) of the TUF)	13
j) Management and coordination (pursuant to article 2497 et seq. of the Civil Code)	15
3.0 COMPLIANCE (pursuant to article 123-bis, paragraph 2(a) of the TUF)	16
4.0 BOARD OF DIRECTORS	16
4.1. Appointment and replacement (pursuant to article 123-bis, paragraph 1(l) of the TUF)	17
4.2. Composition (pursuant to article 123-bis, paragraph 2(d) of the TUF)	20
4.3. Role of the Board of Directors (pursuant to article 123-bis, paragraph 2(d) of the TUF)	38
4.4. Delegated bodies	44
4.5. Other Executive Directors	46
4.6. Independent Directors	46
4.7. Lead independent director	49
5.0 HANDLING OF CORPORATE INFORMATION	49
6.0 BOARD COMMITTEES (PURSUANT TO ART. 123-BIS, PARAGRAPH 2(D) OF THE TUF)	51
7.0 APPOINTMENTS AND REMUNERATION COMMITTEE	51
8.0 DIRECTORS' REMUNERATION	53
9.0 AUDIT AND RISK COMMITTEE	54
10.0 SUSTAINABILITY COMMITTEE	57
11.0 INTERNAL AUDIT AND RISK MANAGEMENT SYSTEM	57
11.1. Role of the Board of Directors	59

11.2	Director responsible for the internal audit and risk management system (SCIGR)	60
11.3.	Internal Audit Manager	61
11.4.	Organisational Model pursuant to Legislative Decree no. 231/2001	62
11.5.	Independent Auditors	63
11.6.	Manager in charge of drawing up the corporate accounting documentation and other corporate roles and functions	64
11.7.	Coordination between individuals involved in the internal audit and risk management system	65
12.0	DIRECTORS' INTERESTS AND RELATED PARTY TRANSACTIONS	65
13.0	APPOINTMENT OF AUDITORS	67
14.0	COMPOSITION AND FUNCTIONING OF THE BOARD OF STATUTORY AUDITORS (PURSUANT TO ART. 123-BIS, PARAGRAPH 2(D) OF THE TUF)	70
15.0	SHAREHOLDERS' RELATIONS	74
16.0	SHAREHOLDERS' MEETINGS (PURSUANT TO ART. 123-BIS, PARAGRAPH 2(C) OF THE TUF)	74
17.0	ADDITIONAL CORPORATE GOVERNANCE PRACTICES (PURSUANT TO ART. 123-BIS, PARAGRAPH 2(A) OF THE TUF)	77
18.0	CHANGES SINCE THE END OF THE FINANCIAL YEAR	77
19.0	CONSIDERATIONS ON THE LETTER OF 19 DECEMBER 2019 OF THE CHAIRMAN OF THE CORPORATE GOVERNANCE COMMITTEE	77

## **TABLES**

Tab. 1:	Information on ownership structure	80
Tab. 2A:	Structure of the Board of Directors and Committees up to 16 May 2019	81
Tab. 2B:	Structure of the Board of Directors and Committees at 31 December 2019 and up to 12 February 2020	82
Tab. 2C:	Structure of the Board of Directors and Committees to date	86
Tab. 2D:	Structure of the Board of Directors and Committees of SIAS as at 31 December 2019	88
Tab. 3A:	Structure of the Board of Statutory Auditors of the Issuer	91
Tab. 3B:	Structure of the Board of Statutory Auditors of SIAS as at 31 December 2019	93

## **ANNEXES**

Annex 1: "Main features of risk management and internal audit systems with respect to the financial disclosure process" pursuant to article 123-bis, paragraph 2(b) of the TUF

## GLOSSARY

**Chief Executive Officer or CEO:** the Director vested by the Board with the functions of Chief Executive Officer of the Issuer. To the date thereof, the Chief Executive Officer is Umberto Tosoni.

**Director of the SCIGR:** the Board Director assigned functions by the Board as Director responsible for the Internal Audit and Risk Management System pursuant to the Corporate Governance Code. To date, the Director of the SCIGR is the Chief Executive Officer, Umberto Tosoni.

**Shareholders' Meeting:** the Shareholders' Meeting of the Issuer.

**Shareholders:** the Shareholders of the Issuer.

**Borsa Italiana:** Borsa Italiana S.p.A.

**Code/Corporate Governance Code:** the Corporate Governance Code for listed companies approved in 2018 by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria, which ASTM declared to have adopted pursuant to article 123-*bis*, paragraph 2(a) of the TUF.

**Civil Code:** the Italian Civil Code.

**Board of Statutory Auditors:** the Board of Statutory Auditors of the Issuer.

**Audit and Risk Committee:** the committee established pursuant to the Corporate Governance Code which, according to the relative procedure adopted by the Issuer and in compliance with the Related Parties Regulation, also performs the function of Related Parties Committee. Until 12 February 2020, the Audit and Risk Committee also performed functions pertaining to corporate sustainability issues.

**Appointments and Remuneration Committee:** the committee of ASTM established pursuant to the Corporate Governance Code.

**Sustainability Committee:** the committee established by the Board on 18 February 2020, which performs the functions pertaining to corporate sustainability issues.

**Board:** the Board of Directors of the Issuer.

**Financial Reporting Officer:** the manager in charge of drawing up the corporate accounting documentation. To date, the position of Financial Reporting Officer is held by Alberto Pernigotti.

**Key Management Personnel or KMP:** the persons identified by the Board who, pursuant to the Related Parties Regulation, have the power and responsibility, directly or indirectly, to plan, manage and control the Issuer's activities. In January of this year, following the Merger, the Issuer adopted a new organisational structure and, therefore, the new KMP will be identified during the 2020 financial year.

**Issuer/ASTM:** the issuer of securities to which the Report refers, namely ASTM S.p.A., with registered office in Turin, Corso Regina Margherita, 165, share capital EUR 70,257,447.50, Turin Companies' Register, Italian

tax code and VAT number IT 00488270018.

**Year:** the financial year to which the Report refers.

**Merger:** the merger by incorporation of SIAS into the Issuer, which took effect on 31 December 2019 and is described in further detail in section 1.0.a.

**MTA:** the Electronic Stock Market organised and managed by Borsa Italiana.

**Nuova Argo:** Nuova Argo Finanziaria S.p.A., with registered office in Tortona (AL, Corso Romita no. 10, Italian tax code, VAT number and Alessandria Register of Companies no. 02580070064, which exercises the management and coordination of the Issuer pursuant to art. 2497 of the Italian Civil Code.

**Supervisory Board** or **SB:** the Supervisory Board of the Issuer appointed pursuant to Legislative Decree no. 231/2001.

**Chairman:** The Chair of the Board of Directors of ASTM. To date, the position of Chairman is held by Alberto Rubegni.

**Consob Issuers' Regulation:** the Regulation issued by Consob with Resolution no. 11971 of 1999 (as amended) on Issuers.

**Markets Regulation:** the Regulation issued by Consob with Resolution no. 20249 of 28 December 2017 (as amended) concerning markets.

**Consob Related Parties Regulation:** the Regulation issued by Consob with resolution no. 17221 of 12 March 2010 (as amended) on related party transactions.

**Report:** this report on corporate governance and ownership structure that the Issuer has produced pursuant to article 123-*bis* of the TUF.

**SCIGR:** the Internal Audit and Risk Management System of the Issuer

**SIAS:** SIAS S.p.A. – Società Iniziative Autostradali e Servizi, merged by incorporation into the Issuer with effect as at 31 December 2019.

**Articles of Association:** the Articles of Association of the Issuer in effect.

**TUF:** Legislative Decree no. 58 of 24 February 1998.

## 1.0 ISSUER'S PROFILE

### a) Profile and structure

#### Issuer's profile and activity

The Issuer – established in 1928 – is an industrial holding listed since 1969 on the Electronic Stock Market organised and managed by Borsa Italiana S.p.A. Through its investee companies, it is active in the management of motorway networks under concession, the planning and development of major infrastructure works and technology applied to transport mobility.

Through its Italian subsidiaries, the Issuer is the country's second largest motorway operator, managing approximately 23% of the national network, and through the jointly held subsidiary EcoRodovias Infraestrutura e Logística S.A (a leading Brazilian company in the motorway sector), it is the second motorway concession operator worldwide, managing a network of approximately 4,593 km.

In the planning and development of major infrastructure works, the Issuer operates through the subsidiary SINA S.p.A., the Group's engineering company, and through the subsidiary Itinera S.p.A., a global player in the development of transport infrastructure (roads, motorways, railways, underground railways, bridges, viaducts and tunnels) and civil and industrial construction works (hospitals, shopping centres and airports). Of its markets of reference, Itinera S.p.A. operates in the United States through Halmar International LLC, one of the biggest companies in the metropolitan area of New York for the development of transport infrastructure.

As regards technology, the Issuer operates through the subsidiary Sinelec S.p.A., an Italian leader in the design and development of advanced systems for the management and monitoring of critical infrastructure in the transport sector.

#### Issuer's governance

The Issuer's governance structure is based on a "traditional" organisational model, where the company is managed by a Board of Directors and monitored by a Board of Statutory Auditors; both boards have powers and functions as established by the Civil Code, by special applicable laws and by the Articles of Association, while the Shareholders' Meeting represents all Shareholders.

The Issuer adopted the Corporate Governance Code and its corporate governance structure is compliant with recommendations set forth by the Code, apart from the exceptions indicated in the Report. This Report describes the Company's "corporate governance" system and level of compliance with the Code, providing evidence of recommendations that were

implemented and those that were considered inapplicable, as they did not reflect the existing organisational and management structure.

The Report, drafted in compliance with article 123-*bis* of the TUF, also takes into account the explanatory criteria and methods contained in the “format” prepared by Borsa Italiana in January 2019.

The Issuer is not an SME, as it does not meet the size criteria established by article 1, paragraph 1(*w-quater.1*) of the TUF or article 2-*ter* of the Consob Issuers' Regulation (cf. also the list of “SME” issuers of listed shares published by Consob on its website at [www.consob.it/web/area-pubblica/emittenti-quotati-pmi](http://www.consob.it/web/area-pubblica/emittenti-quotati-pmi) (page in Italian), which does not include the Issuer).

#### *Merger by incorporation of SIAS into the Issuer*

During the year, the merger by incorporation of SIAS into ASTM (the “**Merger**”) was approved and completed. As part of a project to streamline the Group and simplify its equity structure, the Merger was carried out in order to pursue the following main objectives:

- (i) establish a single listed industrial holding company that, acting as “one company”, is able to express specific knowledge in the sectors of motorway concessions, construction, engineering and technological innovation;
- (ii) shorten the chain of control as regards the operating companies, in line with national and international practice and with market expectations in order to simplify the Group’s corporate structure, with positive effects on access to cash flows and consequently, to the capital market;
- (iii) create a new industrial firm that can grow efficiently and competitively on national and international markets, including with recourse to the market through capital reinforcement operations in light of the new strategic plan that will be presented to the Board of Directors following the Merger;
- (iv) promote the creation of a listed issuer enabled by its size and liquidity mean to aim becoming one of the most important companies on Italian stock market; and
- (v) streamline the corporate structure with consequent reduction of holding costs and further strengthening of industrial synergies and improvement of operating income.

Whereas for further details and information about the Merger reference should be made to the Issuer’s website ([www.astm.it/en](http://www.astm.it/en)) in the section Investor Center/ASTM-SIAS Merger, a brief illustration of the main acts and/or resolutions that led to the Merger are shown below:

- on 13 June 2019, the Boards of Directors of the Issuer and SIAS – following approval issued by their respective Audit, Risk and Sustainability Committees acting as related party



transactions committees – approved the merger operation to be carried out through the merger by incorporation of SIAS into the Issuer;

- again on 13 June 2019, the Board of Directors of ASTM resolved, pursuant to article 102 of the TUF, to promote a voluntary partial public tender offer (the “Offer”) regarding 11,377,108 SIAS shares, equal to 5% of its share capital, with an acceptance period beginning on 8 July 2019 and ending on 26 July 2019, inclusive;
- following approval on 5 July 2019 of the related offer document by Consob, pursuant to art. 102, paragraph 4 of the TUF, on 8 July 2019 the tender acceptance period began, and ended on 26 July 2019. Whereas 24,356,361 SIAS shares were tendered – amounting to around 214.082% of the shares subject to the Offer (11,377,108 SIAS shares) and around 10.704% of the share capital of SIAS – due to the consequent allocation and related rounding, on 2 August 2019 the Issuer purchased 11,376,796 SIAS shares;
- on 16 October 2019, the Extraordinary Shareholders' Meetings of ASTM and SIAS approved the joint merger project;
- on 17 December 2019, the deed was signed for the merger by incorporation of SIAS into ASTM (the “**Merger Deed**”);
- on 18 December 2019, Consob authorised the publication of the prospectus for the admission to trading of the ASTM shares issued for the merger by incorporation of SIAS into ASTM;
- on 20 December 2019, the Merger Deed was registered with the Turin Register of Companies;
- the Merger took statutory effect from 31 December 2019.

Following completion of the Merger, 41,516,295 ASTM shares, without indication of the nominal value, were issued to service the exchange in favour of SIAS shareholders other than ASTM, for a capital increase of EUR 20,758,147.50. Consequently, the share capital of ASTM totalled EUR 70,257,447.50 and is divided into 140,514,895 ordinary shares.

Considering the cessation of SIAS following the Merger, for reasons of explanatory completeness the Report contains some information about the governance of the incorporated company at the date of statutory effect (i.e. 31 December 2019).

## **b) Principles and values**

The Issuer is guided by principles of sustainability, integrity and transparency in defining an administration and control structure that is adequate for its size, complexity and operational configuration, and in adopting an internal audit and risk management system that is effective.

In July 2017, the Board approved its 2017-2021 strategic plan (the “**Strategic Plan**”) which, with a view to integrating business and sustainability, places a particular focus on stakeholders alongside ambitious industrial objectives targeting considerable growth in profitability and a strong international development. The Strategic Plan does not consider the economic and financial effects of the merger by incorporation of SIAS into ASTM, which the Issuer nevertheless considers insignificant. However, the new Board of Directors appointed on 12 February 2020 will assess during the current financial year (2020) the approval, to replace the aforesaid Strategic Plan, of a new strategic plan for the ASTM Group that would allow for new opportunities for growth and development.

In order to implement the aforementioned principles, the Issuer produces a Sustainability Report, to inform its stakeholders of the impact its business operations have on the interested parties, who are not only shareholders, but also employees, customers, suppliers, communities and local associations.

The Code of Ethics, last approved by the Board in March 2018, sets out the principles which company operations must be based on, including relations with personnel and third parties, and which must be observed by Directors, Auditors, managers and all employees of the Issuer.

In addition, during the year the Board approved (i) the human rights policy, which, in compliance with international best practices, aims to afford full protection within the company and Group, empowering actions taken to prevent a conduct or actions that are discriminatory and ensure the right to health and safety in the workplace, the recognition of adequate remuneration and freedom of association, and (ii) the Anti-Corruption Policy, in order to prevent corrupt acts of any kind, in addition to minimise the risk of conduct that may be attributable to corruption.

## **2.0 INFORMATION ON OWNERSHIP STRUCTURE (PURSUANT TO ART. 123-BIS, PARAGRAPH 1 OF THE TUF) TO DATE**

### **a) Share capital structure (pursuant to article 123-bis, paragraph 1(a) of the TUF)**

The share capital, subscribed and paid up, equal to EUR 70,257,447.50 consists of 140,514,895 ordinary shares. This share capital composition is the result of the completion, on 31 December 2019, of the Merger and therefore of the issue – in favour of SIAS shareholders other than ASTM – of a total of 41,516,295 ASTM shares to service the exchange for a capital increase equal to EUR 20,758,147.50.

The shares of the Issuer, without indication of the nominal value, are listed on the Electronic Stock Market organised and managed by Borsa Italiana, on the FTSE Mid Cap index, and are indivisible, made out to the bearer and issued in a dematerialised form in the centralised management system operated by Monte Titoli S.p.A.

To date, there are no additional categories of shares or (i) financial instruments assigning the right to subscribe to new-issue shares or (ii) equity-based incentive plans (stock options, stock grants, etc.) involving capital increases for this purpose.

**b) Restrictions on the transfer of securities (pursuant to article 123-bis, paragraph 1(b) of the TUF)**

The Articles of Association contain no restrictions on the transfer of or limitations on the ownership of shares, nor entitlement clauses.

Pursuant to article 6 of the Articles of Association, shares are registered if required by law; otherwise, if fully paid, these can be registered shares or bearer shares, at the choice and expense of the Shareholder.

**c) Significant shareholdings (pursuant to article 123-bis, paragraph 1(c) of the TUF)**

Entities that, at the date of this report, directly or indirectly have a significant stake in the share capital of the Issuer, pursuant to article 120 of the TUF, as resulting from disclosure made in accordance with this article, are indicated in the summary in Table 1 in the appendix.

**d) Shares that confer special rights (pursuant to article 123-bis, paragraph 1(d) of the TUF)**

The Issuer did not issue securities granting special control rights.

The Articles of Association do not include provisions concerning casting votes or loyalty shares.

**e) Employees' share ownership: exercise of voting rights (pursuant to article 123-bis, paragraph 1(e) of the TUF)**

The Issuer did not approve any employee shareholding scheme with regard to its share capital.

**f) Restrictions on voting rights (pursuant to article 123-bis, paragraph 1(f) of the TUF)**

There are no restrictions on voting rights.

The Issuer has only issued ordinary shares and there are no shares with voting rights other than ordinary shares.

**g) Shareholders' agreements (pursuant to article 123-bis, paragraph 1(g) of the TUF)**

On 2 August 2018, Aurelia S.r.l. ("**Aurelia**") – a company wholly owned by members of the Gavio family and that indirectly controls the Issuer - and Mercure Investment S.à.r.l. ("**Mercure**") – a company wholly owned by Mercure Holding SCA (a company which in turn is controlled by the investment funds Ardian Infrastructure Fund IV SCA, SICAR and Ardian Infrastructure Fund IV SCA, SICAR B, both managed by the Ardian Group) – signed a

framework agreement governing the terms and conditions to finalise an operation intended to forge a strategic partnership in the infrastructure sector (the “**Operation**”).

Following this Operation, Aurelia still has control of the Issuer (through Nuova Argo) pursuant to article 2359 of the Civil Code and article 93 of the TUF.

When the Operation was completed, on 27 September 2018, Aurelia and Mercure signed a shareholders’ agreement (the “**Shareholders’ Agreement**”) intended to govern the terms and conditions of their relationship as shareholders of Nuova Argo and related, among other things, to the governance and transfer of Nuova Argo, ASTM and SIAS shares, of which the provisions – made public pursuant to applicable laws – are significant for the purposes of article 122, paragraphs 1 and 5(a), (b) and (c) of the TUF.

On 13 June 2019, Aurelia and Mercure then signed an amending agreement to the Shareholders’ Agreement, which, with the exception of some limited provisions that entered into force at the date of its signing, took effect with the completion, on 31 December 2019, of the merger by incorporation of SIAS into ASTM (i.e. the Merger).

Again on 13 June 2019, Aurelia, Mercure and Nuova Argo also signed a new shareholders’ agreement (the “**New Shareholders’ Agreement**”) – which took effect with the completion of the Merger – intended to govern (i) the transfer of ASTM shares and the exercise of company rights (other than proprietary rights) related to a number of ASTM shares held directly by Aurelia such that, by adding this number to the total ASTM shares held directly and indirectly by Nuova Argo, 50% plus one share of the share capital formed of shares with voting rights is represented at any time (and therefore excluding the treasury shares held at any time by ASTM) (the “**Major Shareholding**”) and (ii) the transfer of the ASTM shares held directly by Aurelia, which, at any time, exceed the Major Shareholding.

The amendment agreement to the Shareholders’ Agreement and the New Shareholders’ Agreement were published pursuant to article 122 of the TUF and articles 130 and 131 of the Issuers’ Regulation and can be viewed on the Issuer’s website ([www.astm.it/en](http://www.astm.it/en)) in the section Governance/Major shareholdings.

**h) Change of control clauses (pursuant to article 123-bis, paragraph 1(h), TUF) and provisions on takeover bids contained in the Articles of Association (pursuant to articles 104, paragraph 1-ter, and 104-bis, paragraph 1)**

Some loan agreements entered into by the Issuer and by companies of the Issuer’s group contain normal clauses establishing, subject to the consent of lenders, termination of the agreement with the concurrent obligation to repay the debt in advance if the parent company Aurelia S.r.l. loses control over the relevant licensee(s). These clauses are also included (i) in the majority of ISDA agreements governing derivative contracts signed by companies of the

Issuer's group in order to prevent the risk from interest rate fluctuations and (ii) in some indemnity agreements concerning guarantees or deposits issued by the companies of the Issuer's group.

The "Standard Agreements" in force, which were signed by the licensees of the Issuer's group, expressly set out the requirements with which the new controlling entity must comply in case of a change of control of the licensees. More specifically:

- with reference to concessions relative to the stretches A4 and A21 (managed by SATAP S.p.A.), A15 (managed by SALT p.A.), A33 (managed by Autostrada Asti-Cuneo S.p.A.), A5 Torino – Ivrea – Quincinetto, A4-5 Ivrea-Santhià, and the Sistema Autostradale Tangenziale Torinese (managed by A.T.I.V.A. S.p.A.), the requirements are: (i) integrity, financial strength, professionalism and reliability with regard to compliance with the obligations resulting from contracts signed with public administrations; (ii) compliance with requirements in “antimafia regulations”; (iii) maintaining the licensee's head office in Italy (only for concessions relative to the A15 and A33 stretches);
- with reference to concessions relative to the stretches A5 (managed by S.A.V. S.p.A.), A6 and A10 (managed by Autostrada dei Fiori S.p.A.), A12 (managed by SALT p.A.) and A21 (managed by Autovia Padana S.p.A.), the requirements are: (i) adequate capitalisation (the shareholders' equity as shown in the latest set of approved and certified Financial Statements must be equal to least 1/8 of the licensee's shareholders' equity at 31 December of the previous financial year); (ii) maintaining the registered office in a country not included in the list of countries that are tax havens; (iii) maintaining the registered office of the licensee in Italy, as well as keeping the licensee's organisational capabilities, with the new controlling entity undertaking to ensure that the licensee has the resources necessary to comply with the agreement's obligations; (iv) a management body comprising members that meet requirements of integrity, professionalism and with at least one member who is independent.

Without prejudice to the above requirements, changes in control are subject in any case to the previous approval of the granting body.

The Articles of Association neither contain derogations with regard to passivity rule provisions set out in article 104, paragraphs 1 and 1-*bis* of the TUF, nor set out the implementation of the neutralisation rules in article 104-*bis*, paragraphs 2 and 3 of the TUF.

**i) Powers to increase the share capital and authorisations to purchase treasury shares (pursuant to article 123-*bis*, paragraph 1(m) of the TUF)**

The Board has not been assigned powers to (i) increase share capital pursuant to article 2443 of the Civil Code; (ii) issue participation-based financial instruments.

On 16 May 2019, the Ordinary Shareholders' Meeting approved a new authorisation for the purchase and disposal of treasury shares, since the previous one, approved by the Ordinary Shareholders' Meeting of 20 April 2018, had elapsed with the approval of the 2018 Financial Statements.

The current authorisation, in line with the previous one, has the purpose of providing the Board with suitable operational flexibility in pursuing the following objectives:

- fulfil the obligations arising from any stock option programs or other allocations of the Issuer's shares to employees or members of the Boards of Directors and Statutory Auditors of ASTM or of associated companies, as well as fulfil any obligations arising from debt instruments convertible into or exchangeable with equity instruments;
- acquire a portfolio of treasury shares to have at their disposal in the context of any extraordinary operations, including the exchange of shares, with other parties as part of the operations of interest to the Issuer ("treasury stock") or for other uses considered of financial, operational and/or strategic interest for the Issuer;
- operate on the market, in compliance with the provisions in force, with a view to investing or otherwise seizing opportunities to maximise the value of the stock that may result from market fluctuations;
- offer Shareholders an additional means of monetising their investment.

Under the authorisation, stock buybacks may be conducted up until the approval of the financial statements for the year ending 31 December 2019, or for a period of 18 months as of the approval date, considering treasury shares already in the portfolio and held by subsidiaries, for a maximum of 19,799,720 ordinary shares in total (equal to 20% of the subscribed and paid share capital as of the approval date), whereas no time limits are provided for disposals.

The purchase price of the shares is identified case by case, having regard to the set procedures for the transaction and in compliance with any statutory or regulatory requirements, as well as accepted market practices.

In any case, the purchase price shall not be more than 10% below, at the minimum, and not be more than 10% above, at the maximum, the reference price recorded on the trading day prior to each single purchase transaction or the date on which the price is fixed and, in any case, where purchases are carried out on the regulated market, the price cannot be greater than the highest between the price of the last independent transaction and the highest current independent purchase offer price on the same market, in accordance with the provisions of article 3 of Commission Delegated Regulation (EU) 2016/1052.

In view of the above, the Board of Directors, on 2 August 2019, having taken into account the ASTM shares already held in the portfolio – totalling 7,652,828 treasury shares (around 7.730% of the subscribed and paid share capital as of the approval date) of which 7,631,328 shares held directly and 21,500 indirectly through the subsidiary ATIVA S.p.A. – approved the launch of a buy-back plan by authorising the acquisition of up to a further 3,960,000 ASTM shares (approximately 4% of the subscribed and paid share capital as of the approval date).

As a result of the above, during the year the Issuer purchased 162,700 treasury shares (equal to 0.16% of the subscribed and paid share capital on the day before the completion of the merger by incorporation of SIAS into ASTM) for a total value equal to approximately EUR 4.5 million. These purchases were carried out by a financial intermediary, who, on the basis of a special mandate from ASTM, took decisions independently of the Issuer.

At 31 December 2019, the Issuer held 7,815,528 treasury shares (equal to 7.895% of the subscribed and paid share capital on the day before the Merger) of which 7,794,028 shares directly and 21,500 shares indirectly through the subsidiary ATIVA S.p.A.

During the first months of 2020 and until the date of this Report, the Issuer arranged to purchase 694,516 treasury shares (equal to 0.494% of the share capital), for a total value equal to approximately EUR 10.5 million. In addition, after the merger by incorporation of SIAS into ASTM took effect, the subsidiary SINA S.p.A. received 2,149,408 ASTM shares in exchange for the SIAS shares previously held. Therefore, at the date of preparation of this Report, the Issuer holds, in total, 10,659,452 treasury shares (around 7.586% of the share capital), of which 8,488,544 directly, 21,500 indirectly through the subsidiary ATIVA S.p.A. and 2,149,408 indirectly through the subsidiary SINA S.p.A.

**j) Direction and coordination (pursuant to article 2497 et seq. of the Civil Code)**

As disclosed to the market on 7 August 2018, in the framework of the strategic partnership forged between Aurelia S.r.l. and Mercure Investment S.à r.l. (a company indirectly controlled by funds managed by Ardian) in the motorway infrastructure sector, Nuova Argo purchased, through the demerger of the companies Argo Finanziaria S.p.A. and Codelfa S.p.A., a total stake of 58.77% in the share capital of the Issuer.<sup>1</sup>

In keeping with previous action taken by Argo Finanziaria S.p.A., on 22 January 2019, Nuova Argo notified the start of direction and coordination of the Issuer pursuant to articles 2497 et seq. of the Civil Code, in full compliance with principles on proper corporate and business governance, the independence and independent judgement of directors, and with provisions

---

<sup>1</sup> Following (i) the completion of the Merger and the share capital increase of ASTM to service the relative exchange and (ii) the purchases of ASTM shares made by Nuova Argo during 2020, at the date of this Report Nuova Argo holds a total stake of 42.66%, of which around 41.27% held directly and around 1.39% held indirectly through the subsidiary Nuova Codelfa S.p.A.

applicable to relations between the parent company and subsidiaries. Having acknowledged the above, during its meeting of 23 January 2019, the Board ascertained the start of management and control by Nuova Argo, delegating the Chief Executive Officer to oversee disclosure obligations.

The unitary direction by Nuova Argo is based on the need to promote the consolidation of the Issuer in the infrastructure sector in the medium and long term, and encourage growth on international markets, with a view to creating sustainable value for all stakeholders. Achieving these objectives calls for the strategic and financial planning of various entities of the Group reporting to Nuova Argo, and a prior review of certain strategic management actions prepared by the administrative body of the Issuer. For this purpose, Nuova Argo promoted the adoption of a group regulation that enables it to perform its role as parent company in compliance with principles for the proper corporate and business governance of ASTM (the “**Regulation**”).

The Regulation sets out the strategic direction and governance role of Nuova Argo through (i) the planning, monitoring and control of the Group strategy, (ii) the definition of information flows within the Group and the adoption of any specific directives for the company and (iii) the prior review of specific strategic management actions prepared by the administrative body of the Issuer.

In particular, pursuant to the Regulation and without prejudice to the operating independence of the Issuer, Nuova Argo:

- reviews the strategic, industrial and financial plans, including long-term plans, as well as the annual budgets of the Issuer and the group it reports to;
- periodically assesses the adequacy of information flows concerning the relationship between Nuova Argo and the Issuer;
- may take action and decisions concerning operations that are significant for the Issuer and its subsidiaries.

Lastly, (i) final decisions concerning plans, budgets or operations are the responsibility of and are taken by the administrative body of the Issuer, who is required to verify the lawfulness and interest of the company also at a Group level and (ii) the information flows are adopted in full compliance with applicable regulations on market abuse (Regulation (EU) No 596/2014, “**MAR**”), as well as procedures adopted by the Issuer to manage, process and disclose significant and inside information.



### 3.0 COMPLIANCE (PURSUANT TO ART. 123-BIS, PARAGRAPH 2(A) OF THE TUF)

As already stated, the Issuer observes the Code, which may be consulted in Italian by the public on the website of Borsa Italiana, at <https://www.borsaitaliana.it/borsaitaliana/regolamenti/corporategovernance/codice2018clean.pdf>.

Current governance of the Issuer therefore complies with the Code, save for recommendations which the Issuer did not adopt, given the specific nature of the company's dimension and organisation, ownership structure and business and which, in compliance with the "comply or explain" principle, are explained further on.

The Issuer will apply the Corporate Governance Code, approved by the Corporate Governance Committee in January 2020, as of the first financial year beginning after 31 December 2020 and, therefore, as of 1 January 2021 (informing the market of this in the report on corporate governance referring to financial year 2021 to be published in 2022).

The Issuer is a Company incorporated under the laws of Italy and is not subject to laws of other countries affecting the corporate governance structure of the Issuer.

### 4.0 BOARD OF DIRECTORS

#### 4.1 Appointment and replacement (pursuant to article 123-bis, paragraph 1(I) of the TUF)

Pursuant to article 16 of the Articles of Association, the Issuer is managed by a Board of Directors composed of a number of members ranging between seven and fifteen, according to the decision taken by the Shareholders' Meeting, ensuring an adequate number of independent directors, as well as gender parity, as required by law.

The entire Board of Directors is appointed on the basis of lists submitted by the Shareholders; the candidates – who are listed by a sequence number – have to comply with the requirements of integrity provided for by applicable law.

The lists submitted by the Shareholders shall be filed at the registered office within the terms and according to the methods set out by current regulations.

Each Shareholder may submit or contribute to submitting one list only.

Each list shall include a number of candidates not exceeding the maximum number of Directors established in the Articles of Association and, upon filing at the registered office, shall include (i) information concerning personal and professional details of the candidates, (ii) the written acceptance of the candidature and the declaration that the candidate does not belong to other lists, as well as (iii) any other document provided for by applicable law. Each list shall include at least two candidates who meet the independence requirements provided for by law, clearly indicating them and entering one of them at the top of the list. The lists containing a number of

candidates equal to or greater than three must also include, as indicated in the notice of call, candidates of different genders, so as to ensure the presence of at least one third of members of the less represented gender (or of any greater quota established by the regulations, where applicable, on the subject of gender parity) in the composition of the Board, rounded up, in the case of a fractional number, to the next higher unit.

In this regard, it should be noted that the regulations on gender parity in the composition of the Board of Directors (and Board of Statutory Auditors) was recently amended by two legislative actions:

a) conversion law no. 157/2019 of Decree Law no. 124/2019 (article 58-*sexies*), amended – with effect as of 25 December 2019 – article 147-*ter*, paragraph 1-*ter* (and article 148) of the TUF, extending the period of application of the gender parity regulations from three to six consecutive mandates;

b) the finance act no. 160/2019, in force as of 1 January 2020, under paragraphs 302-304 of article 1, confirmed the enforcement of the gender parity regulation for six consecutive mandates and established that the less represented gender must achieve at least two fifths of the elected members, instead of the previous quota of one third.

This regulation was already applied during the renewal of the Board of Directors by the Shareholders' Meeting on 12 February 2020.

Only shareholders who alone or together with other Shareholders hold shares representing the shareholding in the share capital, as set out by Consob pursuant to article 144-*ter* et seq., and the Consob Issuers' Regulation, have the right to submit lists. In this regard, with resolution no. 28 of 30 January 2020 approved by the Head of the Corporate Governance Division, Consob determined the shareholding required to present lists of candidates for the appointment of the Issuer's board of directors to be 1% (one per cent) of the share capital. The legal title to the above-mentioned shareholding shall be proved according to the methods and time scales provided for by applicable law.

The list that does not comply with the aforementioned provisions shall be considered as not submitted.

Each person entitled to vote may vote only one list.

Given that for the purposes of appointing the directors to be elected, no account is taken of lists that have not received a percentage of votes equal to at least half of that required by the Articles of Association or the laws in force at the time for the presentation of the lists themselves, the election of the members of the Board of Directors proceeds as follows:

a) from the list obtaining the majority of votes cast by those entitled, four fifths of the Directors

to be elected, with rounding down in the event of a fractional number, will be taken in the order in which they appear on the list;

- b) the remaining Directors are elected from the other lists; to this end, the votes obtained by said lists are divided by one, two or three, according to the number of Directors to be elected. The quotients thus obtained are sequentially assigned to the candidates on each list, in the order in which they are listed. The quotients thus attributed to the candidates of the various lists are arranged in a single decreasing order ranking, resulting in the election of the candidates with the highest quotients.
- c) If more than one candidate obtains the same quotient, the candidate from the list which has not yet elected any Directors or which has elected the lowest number of Directors will be elected. In the case of an equal number of votes of the list and, therefore, with the same quotient, a new vote of the Shareholders' Meeting takes place, will the candidate obtaining the simple majority of votes being elected.
- d) If the outcome of the aforementioned procedure generates a composition of the Board of Directors that does not allow the gender parity to be complied with, the candidates elected in the various lists are arranged in a single decreasing order ranking, created according to the quotient system indicated in point b) above. The candidate of the most represented gender with the lowest quotient among the candidates taken from all lists is replaced, subject to compliance with the minimum number of independent directors, by the first non-elected candidate belonging to the less represented gender indicated in the same list as the replaced candidate.
- e) In the event that candidates of different lists obtain the same quotient, the candidate from the list from which the largest number of directors is taken will be replaced.
- f) If the replacement of the candidate of the most represented gender with the lowest quotient in the ranking does not allow, however, the presence of at least one third of the members of the less represented gender (or of the higher quota established by the legislation, if applicable, regarding gender parity), the above-mentioned replacement operation is also performed with reference to the candidate of the most represented gender having the second last quotient and so on going up from the bottom of the ranking. In all cases in which the above procedure is not applicable, the replacement is made by the Shareholders' Meeting with the legal majority, in compliance with the principle of proportional representation of minorities on the Board.

If no list is submitted or admitted or in any case, for any reason, the appointment of one or more Directors cannot be carried out according to the provisions of the Articles of Association, the Shareholders' Meeting decides with the legal majorities so as to nevertheless ensure, pursuant

to current legislation, the presence of the number of Directors who meet the independence requirements and compliance with the requirements of the Articles of Association and/or legislation in force at any time concerning gender parity.

A vacancy for one or more Directors that arises during the financial year shall be filled in line with applicable legal provisions, appointing, in sequential order, candidates drawn from the list to which the ceased Director belonged who are still eligible and prepared to accept the office, ensuring at any rate, in line with applicable laws, the presence of the required number of Independent Directors, as well as gender parity according to the provisions of the Articles of Association and/or legislation in force at any time. The loss during the mandate of the independence requirements does not mean that the interested party forfeits his/her office of director if a number of directors who meet the independence requirements in accordance with the applicable laws remains in office within the Board of Directors.

If, in case of resignation or other reasons, the majority of Directors appointed by the Meeting fails, the whole Board shall resign and its termination shall be effective from the moment when the Board of Directors will be re-established, following the appointments made by the Meeting that shall be convened as soon as possible.

The Directors are in office for the time agreed by the Meeting (in any case, not more than three financial years) and can be reappointed; the term of office of persons appointed during this period shall end together with those members who were already in office upon their appointment.

#### Succession planning

Having taken into account the current corporate structure with one reference Shareholder, the Board did not adopt a succession planning policy for executive directors.

However, as part of its “operating procedure for crisis management”, the Issuer adopted a contingency plan intended to ensure the continuity of management control during exceptional and unforeseeable events involving senior management.

#### **4.2 Composition (pursuant to article 123-bis, paragraph 2(d) and (d-bis) of the TUF)**

In consideration of the Merger, information is provided below regarding the Board of Directors of the Issuer and of the incorporated company SIAS.

##### ***Composition of the Board of Directors of the Issuer***

On 16 May 2019, the Shareholders' Meeting appointed a new governing body for financial years 2019-2021. However, after the Merger took statutory effect on 31 December 2019 and due to the entry into force of a specific transitional clause contained in the new Articles of Association of ASTM approved by the extraordinary shareholders' meeting on 16 October 2019, the mandate of

the governing body ended early on 12 February 2020, coinciding with the Shareholders' Meeting that appointed a new Board of Directors.

Subsequently, the new Board of Directors met on 18 February 2020 to appoint the Chairman, Vice Chairman and Chief Executive Officer and also established three board committees.

Therefore, the composition (i) of the Board of Directors appointed by the Shareholders' Meeting of 28 April 2016 and terminated with the approval of the financial statements at 31 December 2018, by the Shareholders' Meeting held on 16 May 2019, (ii) of the Board of Directors appointed by the Shareholders' Meeting of 16 May 2019 in office at 31 December 2019 (and until 12 February 2020, without prejudice to that specified below) and (iii) of the Board of Directors appointed by the Shareholders' Meeting of 12 February 2020 and currently in office, is reported in three separate sections.

#### *Board appointed by the Shareholders' Meeting of 28 April 2016*

The Board of Directors in office until 16 May 2019 was appointed by the Ordinary Shareholders' Meeting of 28 April 2016 for the financial years 2016, 2017 and 2018 and, therefore, until the approval of the financial statements as at 31 December 2018, on the basis of the single list presented by Argo Finanziaria S.p.A. unipersonale (holder at that date of 53.39% of the Issuer's share capital), comprising 15 candidates: Gian Maria Gros-Pietro, Stefania Bariatti, Caterina Bima, Marco Antonio Cassou, Giuseppe Garofano, Giuseppe Gatto, Beniamino Gavio, Daniela Gavio, Marcello Gavio, Barbara Poggiali, Luigi Roth, Alberto Rubegni, Anna Chiara Svelto, Stefano Viviano and Marco Weigmann.

The minimum shareholding in the share capital required in order to present lists was set out by Consob, in Resolution no. 19499 of 28 January 2016 and is equal to 1%.

After establishing the number of the members of the Board of Directors to be elected as 15, all the aforementioned candidates became part of the Issuer's management body.

For the list of the names of the voters and the percentage of votes, please see the summary report of voting on agenda items of the Shareholders' Meeting of 28 April 2016, available on the Issuer's website ([www.astm.it/en](http://www.astm.it/en)) in the section Governance/Shareholders' meetings.

The shareholders elected Gian Maria Gros-Pietro as Chairman of the Board of Directors.

Upon acceptance of their appointment, Caterina Bima, Giuseppe Garofano, Giuseppe Gatto, Barbara Poggiali, Luigi Roth, Anna Chiara Svelto and Marco Weigmann declared that they met the independence requirements pursuant to the Code and the TUF.

In the meeting of 28 April 2016, the newly elected Board approved the organisational chart for corporate offices, appointing Daniela Gavio and Marcello Gavio as the two Vice Chairmen and Alberto Rubegni as Chief Executive Officer, conferring the relevant management powers.

On 28 March 2017, as disclosed to the market, the Board Director Marco Antonio Cassou stepped down from office. The Board of Directors met on 29 March 2017, noting the resignations received and, in view of the forthcoming Shareholders' Meeting, saw fit to present directly to the Shareholders any determination on the composition of the management body, including, for this purpose, the agenda of the aforementioned Meeting, already convened by the Board meeting of 13 March 2017 for 28 April 2017.

In this regard, based on the proposal from Argo Finanziaria S.p.A. unipersonale (disclosed to the market according to the terms and procedures required by law), the Shareholders' Meeting appointed Maurizio Leo to the Board of Directors, whose term of office should have ended, together with other Directors in office, on the date of the Shareholders' Meeting convened to approve the 2018 Financial Statements. On 2 May 2017, Maurizio Leo notified that he was not able to accept the appointment.

On 23 October 2017, the Board, following assessments to identify the most suitable professional profile to join the board, pursuant to article 2386 of the Civil Code, co-opted Umberto Tosoni as the new Director, who was subsequently appointed to the board by shareholders on 28 April 2018.

Umberto Tosoni then stepped down from office, with effect on 27 September 2018, and on this date the Board co-opted Juan Angoitia Grijalba as the new director.

Subsequently, on 14 November 2018, the Board of Directors, accepting the resignations from Stefania Bariatti and Stefano Viviano, appointed the new directors Roberto Testore and Arabella Caporello to replace them.

Table 2A in the appendix includes a summary of the information concerning the members of the Board and relevant Committees in office as at 16 May 2019.

For the bibliographical notes on the members of the Board of Directors appointed by the Shareholders' Meeting of 28 April 2016, please see the 2018 Report on Corporate Governance and Ownership Structure.

#### *Board appointed by the Shareholders' Meeting of 16 May 2019*

The Board of Directors in office as at 31 December 2019 (and until 12 February 2020, without prejudice to that specified below) was appointed by the Ordinary Shareholders' Meeting of 16 May 2019, for financial years 2019, 2020 and 2021 and, therefore, until the approval of the financial statements as at 31 December 2021, on the basis:

- of the list presented by the group of asset management companies and institutional investors (holders at that date of 1.527% of the Issuer's share capital), comprising 4 candidates: Venanzio Iacozzilli, Giulio Gallazzi, Fabiola Mascardi and Daniela Montemerlo;
- of the list presented by Nuova Argo (holder at that date of 56.80% of the Issuer's share

capital), comprising 12 candidates: Giuseppe Gatto, Gian Maria Gros-Pietro, Juan Angoitia, Caterina Bima, Arabella Caporello, Beniamino Gavio, Daniela Gavio, Marcello Gavio, Barbara Poggiali, Luigi Roth, Alberto Rubegni and Roberto Testore.

The minimum shareholding in the share capital required in order to present lists was set out by Consob, in Resolution no. 13 of 24 January 2019 and is equal to 1%.

Following the voting, the following candidates were therefore elected to form the Board of Directors:

- from list no. 2 presented by Nuova Argo, the following 12 candidates: Juan Angoitia, Caterina Bima, Arabella Caporello, Giuseppe Gatto, Beniamino Gavio, Daniela Gavio, Marcello Gavio, Gian Maria Gros-Pietro, Barbara Poggiali, Luigi Roth, Alberto Rubegni and Roberto Testore;
- from list no. 1 presented by the minority group, the following 3 candidates: Giulio Gallazzi, Venanzio Iacozzilli and Fabiola Mascardi.

For the percentage of votes achieved by the lists and the list of the names of the voters, please see the summary report of voting on agenda items of the Shareholders' Meeting of 16 May 2019, available on the Issuer's website ([www.astm.it/en](http://www.astm.it/en)) in the section Governance/Shareholders' meetings.

Upon acceptance of their appointment, Caterina Bima, Arabella Caporello, Giulio Gallazzi, Giuseppe Gatto, Venanzio Iacozzilli, Fabiola Mascardi, Barbara Poggiali, Luigi Roth and Roberto Testore declared that they met the independence requirements pursuant to the Code and the TUF, while Gian Maria Gros-Pietro declared to meet the independence requirements pursuant to the TUF only.

The shareholders elected Gian Maria Gros-Pietro as Chairman of the Board of Directors.

During the plenary meeting of 16 May 2019, the newly elected Board approved the organisational chart for corporate offices, confirming Daniela Gavio and Roberto Testore as the two Vice Chairmen and Alberto Rubegni as Chief Executive Officer, conferring the relevant management powers.

On 21 January 2020, Arabella Caporello stepped down from office. Noting the resignations received, the Board of Directors did not replace her, taking into account the Shareholders' Meeting called for 12 February 2020 to resolve on the appointment of the new governing body.

Table 2B in the appendix includes a summary of the information concerning the members of the Board and relevant Committees in office as at 31 December 2019 and until 12 February 2020.

*Board appointed by the Shareholders' Meeting of 12 February 2020*

The Board currently in office was appointed by the Ordinary Shareholders' Meeting of 12 February

2020 for financial years 2020, 2021 and 2022 and, therefore, until the approval of the financial statements as at 31 December 2022, on the basis:

- of the list presented by the group of asset management companies and institutional investors (holders at that date of 2.62% of the Issuer's share capital), comprising 3 candidates: Venanzio Iacozzilli, Giulio Gallazzi and Fabiola Mascardi;
- of the list presented by Nuova Argo (holder at that date of 41.23% of the Issuer's share capital), comprising 12 candidates: Caterina Bima, Giuseppe Gatto, Patrizia Michela Giangualano, Rosario Mazza, Valentina Mele, Franco Moscetti, Andrea Pellegrini, Barbara Poggiali, Giovanni Quaglia, Alberto Rubegni, Umberto Tosoni and Micaela Vescia.

The minimum shareholding in the share capital required in order to present lists was set out by Consob as equal to 1% (cf. Resolution no. 13 of 24 January 2019).

Following the voting, the following candidates were therefore elected to form the Board of Directors:

- from list no. 2 presented by Nuova Argo, the following 12 candidates: Caterina Bima, Giuseppe Gatto, Patrizia Giangualano, Rosario Mazza, Valentina Mele, Franco Moscetti, Andrea Pellegrini, Barbara Poggiali, Giovanni Quaglia, Alberto Rubegni, Umberto Tosoni and Micaela Vescia,
- from list no. 1 presented by the minority, the following 3 candidates: Giulio Gallazzi, Venanzio Iacozzilli and Fabiola Mascardi.

For the percentage of votes achieved by the lists and the list of the names of the voters, please see the summary report of voting on agenda items of the Shareholders' Meeting of 12 February 2020, available on the Issuer's website ([www.astm.it/en](http://www.astm.it/en)) in the section Governance/Shareholders' meetings.

Upon acceptance of their appointment, Caterina Bima, Giulio Gallazzi, Giuseppe Gatto, Patrizia Giangualano, Venanzio Iacozzilli, Fabiola Mascardi, Valentina Mele, Franco Moscetti, Andrea Pellegrini, Barbara Poggiali and Micaela Vescia declared that they met the independence requirements pursuant to the Code and the TUF.

At the meeting of 18 February 2020, the newly elected Board approved the organisational chart for corporate offices, appointing Alberto Rubegni as Chairman, Franco Moscetti as Vice Chairman and Umberto Tosoni as Chief Executive Officer and General Manager, conferring the relevant management powers.

Upon completion of this process, the Board established the following committees from amongst its members, composed as indicated:



- Audit and Risk Committee: Andrea Pellegrini (Chairman), Giuseppe Gatto and Patrizia Giangualano;
- Appointments and Remuneration Committee: Franco Moschetti (Chairman), Giulio Gallazzi and Micaela Vescia;
- Sustainability Committee: Fabiola Mascardi (Chairwoman), Valentina Mele and Barbara Poggiali.

Please see Table 2C in the appendix for indication of the date of first appointment of the members of the Board of Directors appointed by the Shareholders' Meeting of 12 February 2020.

As may be inferred from the short bibliographical notes detailed below, the Directors possess adequate professional experience (accrued with regard to legal, technical, economic and financial subjects, as applicable) through which they actively participate and contribute to the Board's proceedings and decisions. The full *curriculum vitae* of the members of the Board are available on the Issuer's website, under the *Governance* section.

**Alberto Rubegni (Chairman):** born in Pisa on 15 March 1951. He obtained a degree in Civil Engineering (Structures) and boasts long-standing experience in the management of highly complex infrastructure projects in Italy and worldwide both in the large-scale works and the concessions and project financing sectors. From 2015 to 2020 he was Chief Executive Officer of ASTM S.p.A. Over the course of his career, he has held various prestigious posts within the infrastructure sector which have seen him at the helm of important companies that lead the way globally in implementing large transport infrastructure projects, hydroelectric works and civil and industrial construction projects, as well as within the motorway concessions sector. He has managed some of the biggest infrastructure projects within Italy and internationally (including the creation of the Italian high-speed railway network with the Bologna-Florence, Turin-Milan and Milan-Genoa lines and, internationally, the Panama Canal Expansion Project). He embarked on his career at the end of the 1970s, overseeing some electric and hydroelectric projects in the Middle East. When he returned to Italy, he went to work for Girola, which was one of the biggest construction companies in Italy at the time. Girola then merged with Impregilo, the leading general contractor in Italy and one of the biggest construction groups in the world, where he stayed for over 20 years, holding important positions within the holding company and the operating companies of the Group, until becoming its General Manager and then Chief Executive Officer from July 2007 to July 2012. From July 2013 until 2015, he was the Chairman of Itinera S.p.A., a subsidiary of the Issuer and a leading construction company in Italy. He is Chief Executive Officer of Nuova Argo Finanziaria S.p.A.

**Franco Moschetti (Vice Chairman):** born on 9 October 1951, he graduated with a degree in Industrial Sciences with a focus on Business and Economics from the Akademie Erisau

(Switzerland). He is the founder and CEO of AXEL Glocal Business, a business consultancy firm for strategy, business and financial consultancy. His various roles have included: CEO of Il Sole 24 Ore in 2016-2017, CEO of the Amplifon Group (from 2004 to 2017) and, from 1984 to 2004, CEO of Air Liquide Italia. He has been Vice Chairman and Chairman of the Appointments and Remuneration Committee of SIAS.

**Mr Umberto Tosoni (Chief Executive Officer):** born on 4 March 1975, he graduated with a degree in Engineering Management from the Tor Vergata University of Rome, specialising in Transport Planning. After gaining some professional experience abroad, he returned to Italy and joined the Group, going on to hold various roles over the years, including that of CEO of SIAS from November 2018 – until its merger with ASTM in December 2019 – CEO of various licensee companies, including Autostrada dei Fiori, SITAF, SATAP A4 Torino-Milano and A21 Torino-Piacenza, Autostrada Torino-Savona, Autostrada Asti-Cuneo, SAV and CEO of SINELEC, the ASTM Group's transport technology company.

**Caterina Bima:** born in Borgo San Dalmazzo, Cuneo, on 30 January 1960. She holds a degree in Political Science and Law from the University of Turin and works as a notary, specialising in various areas of civil, commercial, corporate, bankruptcy, fiscal and tax law. Currently, she is a member of the Supervisory Body of the Fondazione Cassa di Risparmio di Torino. She has previously been a board member for Banca Fideuram and Impregilo SpA, as well as a member of the General Council for the Compagnia di San Paolo. She is the author of numerous publications and has spoken at many conferences on the topic of corporate law.

**Giulio Gallazzi:** born in Bologna on 8 January 1964. He holds a Business Economics degree, got his M.B.A. magna cum laude from the SDA Bocconi Business School in Milan in 1990 and subsequently attended Harvard Business School in Boston (USA) as a visiting scholar. In 2001, he founded SRI S.p.A., a company which provides socially responsible finance and business development strategies. Over the years, he has developed significant experience in private equity transactions within the high tech and entertainment sectors, in international finance and in strategic change management to the digital economy. He also teaches at respected business schools throughout Europe on the topics of International Business Development Strategy, the Organisation of Complex Groups and Sustainable Finance. Formerly a director of Ansaldo STS and Banca Carige, he is currently a director of Mediaset S.p.A.

**Giuseppe Gatto:** born in Murazzano, Cuneo, on 17 October 1941. He holds a degree in Economics and Business from the University of Turin and is a business advisor for companies working in the infrastructure and real estate sectors. He founded A.G. Energia Srl, a company working in renewable energy generation from solar panels. He started his career at Impresit S.p.A., a construction company which is part of the FIAT Group, and went on to become its Finance Director and then General Manager. Following the merger in 1994 of construction companies Cogefar and

Impresit into Impregilo, he was Vice Chairman until 2002.

**Patrizia Michela Giangualiano:** born in Milan on 17 October 1959. She is an independent director and member of the Board of Directors and Risk Committees of the Mondadori Group and Epta and a director of SEA Aeroporti. She is a lecturer and coordinator at universities, associations and on masters in the areas of governance, risk, controls and compliance. After first working in Montedison's Strategy Department as a business analyst, she joined IBM, where she took on more and more responsibilities, rising from marketing manager to general manager and board member. She was a senior manager in financial services at Ernst & Young and then went on to work at A.T.Kearney, consulting for major national companies on various transformation and development processes. She joined Capgemini in 2005 as the head of banking and retail banking value propositions coordinator, with the title of vice-president. From 2007 to 2016, she was an associate partner at PwC and has consulted on governance, risk and compliance since 2010. From 2016 to 2019, she was a Director of UBI Banca. Currently, she is a consultant for leading companies on the topics of governance, integrated control systems, 231 regulations and support for SBs, non-financial statements and business transformation. She is a member of the Scientific Committee for the Sole24Ore Business School for the following Master programs: Board members and statutory auditors of public and private companies and corporate sustainability management (strategy, governance, risk management and ESG performance).

**Mr Venanzio Iacozzilli:** born in Rome on 27 July 1957. He holds a degree in Civil Engineering from La Sapienza University in Rome and currently consults for ITALTEL on civil infrastructure and integrated facilities. From 1997 to 2018, he held various prestigious positions at the TELECOM/TIM group, first as the head of the regional organisational structure, then as head of the organisational structure of Telecom Italia Real Estate and as the head of the organisational structure of Telecom Italia Infrastructures & Energy and, lastly, as Special Project Head for "5G Infrastructure Deployment" for TIM. He was also the CEO of Olivetti Multi Services and a board member of INWIT within the Telecom Italia Group. He started his career in the civil construction sector as head of operational units at Cozzani & Silvestri and Intercantieri.

**Fabiola Mascardi:** born in Genoa on 4 December 1962. Fabiola Mascardi holds a degree in Law and a PhD in International Law. She teaches Law and European Transport Policy as part of the Antitrust and Market Regulation Master's Programme at the Tor Vergata University of Rome. She is also a visiting professor for the Economics and Utilities Management course at the Engineering Management faculty at Genoa University. She is a board member of Ansaldo Energia, a company that manufactures gas and steam turbines and constructs turnkey power stations. She is also a board member of Enav, an air traffic control management company, and a member of the Governing Body of the Teatro Carlo Felice Foundation. She has served as the Chairwoman of IREN Ambiente S.p.A., as well as member of the Board of Directors of IREN S.p.A., a multi-service

company which works in electricity and district heating production and distribution, in the integrated water cycle and waste collection and disposal. She is a business consultant on issues related to Institutional and International Relations, Communication and Business Development. She was an Administrator of the European Commission from 1993 to 2003. Specifically, she was a member of the Merger Task Force, Directorate General for Competition, the Cabinet of Commissioner Monti and the Cabinet of Vice-President De Palacio, also heading up EU Transport Policy for her.

**Mr Rosario Mazza:** born on 27 October 1983, he holds an Engineering Management degree from the Polytechnic University of Milan. He is currently Managing Director for Infrastructure at Ardian Italy and Director of Ardian Italia, 2i Aeroporti, 2i Rete Gas S.p.A., SEA S.p.A., Holding d'Investimento Sanità ed Infrastruttura, Genesi 1 and Nuova Argo Finanziaria S.p.A. Previously, he was an analyst for the Valiance Infrastructure Fund (sponsored by Assicurazioni Generali) and a project finance analyst for BNP Paribas. He has been a director at SIAS.

**Prof. Valentina Mele:** born in Bergamo on 11 December 1973. She holds a degree in Economics and Management of Public Administrations and International Institutions from Bocconi University in Milan, a Master's degree in Public Administration & Public Policy from Columbia University, a PhD in Economics and Management of Business and Public Administration from the Tor Vergata University of Rome and a PhD in Management from the London School of Economics and Political Sciences. Currently, she is an Associate Professor at Bocconi University within the Social & Political Sciences Department, Course Director for the Masters Programme in Economics & Management of Government and International Organisations, a Member of the Sustainability Advisory Board of the European Aluminium Association, Visiting Professor at the Woodrow Wilson School of Public Policy at Princeton University and permanent visiting professor for Corporate Citizenship and Public Private Partnerships at the University of Geneva. She has served as an expert for International Bodies (the OECD and the EU) and Italian Ministries (Department of Public Administration and the Ministry for Innovation and Technology), as well conducted considerable scientific work and written many articles and international publications. She has been an Independent Director of SIAS S.p.A.

**Andrea Pellegrini:** Born in Milan in 1964. He holds a Business Economics degree from Bocconi University in Milan and earned an MBA from the MIT Sloan School of Management (Massachusetts Institute of Technology). He has spent his entire career in investment banking working for Barclays Bank, Lehman Brothers, Merrill Lynch and Nomura in New York, London and Italy. At Merrill Lynch he held various roles before becoming Chairman of Public Sector for Europe, Middle East & Africa and Head of Investment Banking for Italy. At Nomura he has been Country Manager and Head of Investment Banking for Italy. Throughout his career he has worked on numerous extraordinary finance operations for American, European and Italian companies. He was then Senior Advisor for

Long Term Partners, a strategic and senior management consulting company, and for Italiacamp, a company active in innovation and social impact. He is currently Senior Advisor at Cassa Depositi e Prestiti and is a founding member of Thalia Advisors, his boutique consulting firm. He is also a board member and member of the Strategic Committee at SIAS S.p.A., board member of DeA Capital Alternative Funds SGR and member of the Remuneration Committee and board member, Chairman of the Remuneration Committee and member of the Related Parties Committee of Maire Tecnimont. He has been Vice Chairman of the Board of Directors of Italian Hospitality Collection and board director and Chairman of the Audit, Risk and Sustainability Committee of SIAS.

**Barbara Poggiali:** born in Milan on 4 March 1963. Barbara Poggiali holds an Engineering degree from MIT, the Massachusetts Institute of Technology, Cambridge, Massachusetts, USA., earning her Bachelors in 1984, Masters in 1985, and PhD in 1987. She started her career at McKinsey & Co., and then went on to Bain. From 1995 to 2000, she worked at Omnitel (now Vodafone Italy) as a Strategy Director then as a Marketing & Consumer Sales Director. Afterwards, she worked at E.Biscom S.p.A. (now Fastweb) as Chief Operating Officer until 2002, then moved to Cable and Wireless Plc. as Mobile Group Director. From 2004 to 2011, she was Chief Development Officer at RCS Mediagroup and, lastly, from 2009 to 2011, she was CEO and General Manager of Dada S.p.A. From 2014 to 2017, she held the role of Strategic Marketing Director at Poste Italiane S.p.A., and Chairwoman of PosteMobile. She is currently an independent director of several listed companies: Falck Renewables S.p.A. (from 2012), the Issuer (from 2013) and SnaiTech S.p.A (from 2013). She is also a director of Bocconi University.

**Giovanni Quaglia:** born in Genola, Cuneo on 20 October 1947. He holds a degree in Modern Literature (Literature and Philosophy Faculty) from the University of Turin. He is professor of Economics and Business Administration at the University of Turin (Department of Management – Economics and Business Administration Faculty), a statutory auditor and journalist. Professor Giovanni Quaglia is also Chairman of the CRT Foundation. He has proven experience in managing listed companies, bodies, institutions, cultural associations and non-profit organisations. The various roles he currently holds include Chairman of the Support Committee of Cassa Depositi e Prestiti, and Chairman of the Board of Directors of Asti-Cuneo SpA and SATAP SpA (Turin-Milan and Turin-Piacenza motorway concessionaires). From 1988 to 2004, he was the President of the Province of Cuneo. He was a Member of the Unicredit Board of Directors until 2015, as part of the Corporate Governance, HR and Nomination, Related Parties and Equity Investments and Supervisory Board Committees. In regard to ACRI (the association of Italian Foundations), he was a member of the Board of Directors, the Statutory Auditors and the President's Bureau (2004-2012). He is a Knight of the Grand Cross of the Italian Republic. **Micaela Vescia:** born in Rome on 16 December 1973. Micaela Vescia graduated *maxima cum laude* from Tor Vergata University in Rome and specialised at the A. C. Jemolo Regional Institute for Legal Studies of Lazio in Civil,

Commercial, Corporate and Civil Procedure Law.

She has worked with the Gatti Pavesi Bianchi Law Firm, providing legal assistance in ordinary and extraordinary corporate law (M&A and Corporate Governance) and commercial law for private and public companies, as well as legal and corporate litigation. She is currently Legal and Corporate Affairs Director of ATM S.p.A. She has been an Independent Director of SIAS.

Some brief bibliographical notes related to the Directors appointed by the Shareholders' Meeting of 19 May 2019 who are no longer part of the Issuer's Board of Directors are shown below.

**Prof. Gian Maria Gros-Pietro:** born in Turin on 4 February 1942. He holds a Degree in Economics and Business Studies from the University of Turin. He taught Business Economics first at Turin University and then at LUISS Guido Carli in Rome, where he was Head of the Economics and Management Department and is a Board Director. From 1974 to 1995 he headed the Research Institute on Enterprise and Development. He has written numerous publications on economic, business and financial topics. He has been Chairman of Iri, Eni and Atlantia, as well as the Director of numerous listed companies, including Fiat and Caltagirone. He is currently the Chairman of the Board of Directors of Intesa Sanpaolo S.p.A. and is a member of the Board of Directors of Edison S.p.A.

**Daniela Gavio:** born in Alessandria on 16 February 1958. She was awarded a degree in Medicine (Surgery) from Genoa University. She acquired expertise in corporate management matters mainly within the Gavio Group, with particular reference to the sectors of motorway concessions, logistics and road transport. At present she is Chairwoman of the Board of Directors of Sinelec S.p.A., Vice Chairwoman of the Board of Directors of SATAP S.p.A., SAV S.p.A. and Autostrada dei Fiori S.p.A., and acting Vice Chairwoman and member of the Executive Committee of SALT S.p.A. and Board member of Aurelia S.r.l. and Nuova Argo Finanziaria S.p.A.

**Mr Roberto Testore:** born in Turin on 17 October 1952. He obtained a degree in Mechanical Engineering from Turin Polytechnic. He is Chief Executive Officer of Sofinter S.p.A. and AC Boilers S.p.A., a group operating at international level in the construction of large-scale industrial boilers for steam and energy production, as well as founder of the consulting company Fante S.r.l. and Pantheon Italia S.r.l. During his career, he has held a number of prestigious positions including the office of Chief Executive Officer of Trenitalia (2004-2006), Finmeccanica (2002-2004), Chief Executive Officer and General Manager of Fiat Auto (1996-2001), Chief Executive Officer and General Manager of Comau from 1994 to 1996, after joining the Group in 1986. At present, he sits on the Board of Directors of Techwald Holding, Officine Meccaniche Cerutti, Bonfiglioli Riduttori, Brambium and Endurance Technologies Limited.

**Juan Angoitia Grijalba:** born in Basauri, Spain, on 29 November 1970. He holds a degree in Economics and Business Studies from the Autonomous University of Madrid and was awarded a

master's in Business Administration from IE Business School. He has gained managerial experience in infrastructure companies including Citi Infrastructure Investors and Grupo Ferrovial. At present, his offices include, among others, Managing Director of Infrastructure Group, Ardian. He is also Chairman of the Board of Directors of Túnel de Barcelona i Cadí, Trados M45 (Spain), and sits on the board of wind farms in Ausines and Veciana, Spain, and Ascendi, Portugal.

**Arabella Caporello:** born in Ortona, Chieti, on 20 September 1972. She holds a degree in Economics and Business Studies from Cattolica University, Milan. During her career, she has held a number of prestigious positions including General Manager of the Municipality of Milan (2016-2018), Senior Vice President-Director of the Financial Institute and Service and Concession sectors of Investindustrial Advisors, Lugano, Executive Assistant to the Management Board of Banca Popolare di Milano, Head of Business Development/M&A of the Hospital Trust Humanitas, Senior Associate of Advent International (Private Equity Funds). At present, she is an independent director on the Boards of Credito Fondiario, Sergio Rossi S.p.A. and Italiaonline S.p.A.

**Beniamino Gavio:** born in Alessandria on 13 October 1965. He obtained a degree in Economics from Kensington University in Glendale, California. He acquired expertise in corporate management matters mainly within the Gavio Group, with particular reference to the sectors of motorway concessions, logistics, maritime transport, energy, construction and engineering. Currently his offices include Chairman of the Board of Directors of Aurelia S.r.l., Nuova Argo Finanziaria S.p.A. and Primav Infrastruttura S.A., as well as member of the Board of Directors of EcoRodovias Infrastruttura e Logística S.A.

**Marcello Gavio:** born in Alessandria on 8 October 1967. He graduated from the Tortona Technical Institute for Building Surveyors with a Surveying Diploma and acquired expertise in corporate management mainly within the Gavio Group, with particular reference to the sectors of motorway concessions, building, construction, logistics and transport. Currently his offices include that of Vice Chairman of the Board of Directors of Aurelia S.r.l. and Director of Nuova Argo Finanziaria S.p.A.

**Luigi Piergiuseppe Ferdinando Roth:** born in Milan on 1 November 1940. He was awarded a degree in Economics and Business from Bocconi University, Milan. He is a registered statutory auditor. He has worked for major companies including Pirelli, Finanziaria Ernesto Breda, Breda Costruzioni Ferroviarie, Ferrovie Nord Milano, Ansaldo Trasporti and Finmeccanica. From 2004 to 2007 he was Vice Chairman of Cassa Depositi e Prestiti S.p.A. From 2009 to 2011 he was Chairman of the Milan Consortium Città della Salute e della Ricerca. From 2009 to 2012 he was Director of Meliorbanca. From 2001 to 2009 he was Chairman of Fondazione Fiera Milano. From 2005 to 2014 he was Chairman of Terna S.p.A. He is Chairman of Alba Leasing S.p.A., Equita Sim S.p.A. and Sec S.p.A. and Director of Alkimis Sgr. He is Chairman of the Lombardy Group of Cavalieri del Lavoro (Industry Leaders). He is socially committed and his managerial experience has served institutes such as the

Menotti Tettamanti Foundation for the study and treatment of child leukaemia and Caritas Ambrosiana.

#### **Composition of the Board of Directors of SIAS**

The Board of Directors of SIAS in office until the date of effect of the Merger had been appointed by the Ordinary Shareholders' Meeting of 27 April 2017, on the basis of the lists submitted by the Shareholders pursuant to the law and Articles of Association. That same Shareholders' Meeting, having acknowledged the proposals presented by the Issuer, approved 15 members of the Board, also establishing their duration in office for financial years 2017, 2018 and 2019 and, therefore, until the approval of the financial statements as at 31 December 2019.

The minimum shareholding in the share capital required in order to submit lists had been set out by Consob by means of Resolution no. 19856 of 25 January 2017 and was equal to 1% of the share capital. The following two lists were presented:

- list no. 1, representing the majority, presented by ASTM S.p.A., holder of 61.695% of the Issuer's share capital, comprising the following 12 candidates: Stefano Caselli, Daniela Gavio, Beniamino Gavio, Giovanni Angioni, Stefania Bariatti, Edda Gandossi, Licia Mattioli, Andrea Pellegrini, Ferruccio Piantini, Paolo Pierantoni, Giovanni Quaglia and Antonio Segni;
- list no. 2, representing the minority, presented by a group of Italian and foreign institutional investors, holder of 1.641% of the Issuer's share capital, comprising the following 4 candidates: Sergio De Luca, Saskia Elisabeth Christina Kunst, Paolo Simioni and Paola Annamaria Petrone.

Following the voting, the following candidates were therefore elected to form the Board of Directors:

- from list no. 1 presented by ASTM, the following 12 candidates: Stefano Caselli, Daniela Gavio, Beniamino Gavio, Giovanni Angioni, Stefania Bariatti, Edda Gandossi, Licia Mattioli, Andrea Pellegrini, Ferruccio Piantini, Paolo Pierantoni, Giovanni Quaglia and Antonio Segni;
- from list no. 2 presented by the minority, the following 3 candidates: Sergio De Luca, Saskia Elisabeth Christina Kunst and Paolo Simioni.

For the percentage of votes achieved by the lists and the list of the names of the voters, please see the summary report of voting on agenda items of the SIAS Shareholders' Meeting of 27 April 2017, available on the SIAS website ([www.grupposias.it/en](http://www.grupposias.it/en)) in the section Governance/Shareholders' meeting.

Upon acceptance of their appointment, Giovanni Angioni, Stefano Caselli, Sergio De Luca, Edda Gandossi, Saskia Elisabeth Christina Kunst, Licia Mattioli, Andrea Pellegrini, Antonio Segni and Paolo Simioni declared that they met the independence requirements pursuant to the Code and the TUF, while Ferruccio Piantini declared to meet the independence requirements pursuant to



the TUF only.

The same Shareholders' Meeting appointed Stefania Bariatti as Chairwoman.

On 12 March 2018, Giovanni Angioni stepped down from the office of Director. The Board of Directors of 14 March 2018 decided against co-option, requesting the replacement of the resigned Director at the upcoming Shareholders' Meeting held on 19 April 2018. On that occasion, the Shareholders' Meeting resolved to appoint Francesco Gatti as the new Director, in replacement of Director Angioni.

On 23 March 2018, Edda Gandossi stepped down from the office of Director of the Issuer. Subsequently, the Board meeting held on 19 June 2018 co-opted Marianna Galli to replace her.

The Board of Directors of 27 September 2018, accepting the resignations on the same date from Beniamino Gavio, appointed Rosario Mazza by co-option as new director.

The Board of 14 November 2018, following the resignations of directors Daniela Gavio and Ferruccio Piantini (disclosed to the market on 27 September 2018) and the resignations presented on 14 November 2018 by the directors Francesco Gatti and Licia Mattioli, co-opted Franco Moschetti, Frances V. Ouseley, Umberto Tosoni and Micaela Vescia as four new directors.

During the same meeting, accepting the resignations from Stefania Bariatti from the office of Chairwoman and the waiver of the powers of Chief Executive Officer by Paolo Pierantoni, the Board also appointed (i) Paolo Pierantoni as the new Chairman of SIAS, (ii) Stefania Bariatti and Franco Moschetti as Vice Chairman and (iii) Umberto Tosoni as new Chief Executive Officer and General Manager of SIAS.

Lastly, again on 14 November 2018, the Board appointed Franco Moschetti as member of the Audit, Risk and Sustainability Committee to replace Stefano Caselli and member of the Appointments and Remuneration Committee to replace Licia Mattioli. Franco Moschetti also chaired the Appointments and Remuneration Committee in replacement of Antonio Segni, who continued to hold the role of Committee member.

The Shareholders' Meeting held on 15 May 2019 appointed Umberto Tosoni, Rosario Mazza, Frances Ousley, Franco Moschetti and Micaela Vescia as Directors and replaced Giovanni Quaglia, who resigned on 29 April 2019, and Marianna Galli, who had informed that she was unable to accept another appointment as director, with Giuseppe Garofano and Valentina Mele.

Table 2D in the appendix includes a summary of the information concerning the members of the Board and relevant Committees as at 31 December 2019.

Brief bibliographical notes regarding the SIAS Directors in office as at 31 December 2019 are shown below. For the bibliographical notes related to Directors Franco Moschetti, Umberto Tosoni, Rosario Mazza, Valentina Mele, Andrea Pellegrini and Micaela Vescia, please see above with reference to

the Board of Directors of ASTM.

**Mr Paolo Pierantoni (Chairman):** born in Genoa on 9 December 1956. He holds a degree in Hydraulic Civil Engineering from the University of Genoa and acquired expertise and experience in corporate management as part of major construction companies and the Gavio Group, with particular reference to the sectors of motorway concessions, engineering and technology used by the infrastructure system.

**Prof. Stefania Bariatti (Vice Chairwoman):** born in Milan on 28 October 1956. She holds a degree in Law from the University of Milan. She is Full Professor in International Law at the Faculty of Law of the University of Milan and Of counsel at the Chiomenti Law Firm. She has been Chairwoman of the Board of Directors of Monte dei Paschi di Siena S.p.A. since 2017. Internationally, she represented the Italian Government at the Hague Conference on Private International Law between 1999 and 2007 in projects related to some international conventions and has also authored numerous publications on private international law, European Union law and international law.

**Stefano Caselli:** born in Chiavari, Genoa, on 14 June 1969. He holds a degree in Economics from the University of Genoa, specialising in Finance and Financial Intermediaries. He is Full Professor of Economics of Financial Intermediaries at Bocconi University in Milan. He has authored various international and Italian publications. He is a board member in major asset management companies and a management consultant for banks, companies and institutions on risk assessment models, company evaluations and strategy.

**Sergio De Luca:** born in Zungoli, Avellino on 3 September 1950, he has been an Independent Director of SIAS S.p.A. since March 2017. He holds a degree in Electrical Engineering from Turin Polytechnic and began his professional activity in the Central R&D Department of Ansaldo, subsequently holding various roles in the technical and production areas, before becoming General Manager of Operations in 1996, then Chief Executive Officer of Ansaldo Segnalamento Ferroviario (ASF). In 2006 ASF was vested in Ansaldo STS, of which he became Chief Executive Officer in 2007 and Chairman of the Board of Directors in 2008. In 2014, he moved to Finmeccanica to become General Manager of Group Operations. Between 2014 and 2015 he held an office in Ansaldo S.p.A. He now works as a consultant for multiple industrial companies.

**Giuseppe Garofano:** born in Nereto, Teramo, on 25 January 1944. An Independent Director of SIAS S.p.A., he holds a degree in Chemical Engineering from Milan Polytechnic and has held various prestigious roles over the course of his professional career. In 1968 he joined Montedison as a Process Engineer and following some posts in the financial sector at banking institutions, he rejoined Montedison before becoming its Chairman and CEO between 1990 and 1992. He founded IBI S.p.A. then Alerion (renewable energies), where he is Vice Chairman. He is Chairman of RCR Cristalleria Italia and Industria e Innovazione. He is a board member of Miroglio, of the Milan

Fondazione Casa della Carità and the Campus Bio-Medico University in Rome.

**Saskia Elisabeth Kunst:** she holds a degree in Italian Language and Literature from Leiden University (Netherlands) and from the University of Bologna (Italy). She was awarded a Master's Degree in Business Administration from the University of Rochester (USA) and from Nyenrode Business University (Netherlands). She has held several important posts, including: Business Development Manager at Hutchinson Port Holdings, Chief Executive Officer of Sinport S.p.A. with offices in Genoa (a company part of the PSA International Group of Singapore, which provides services for shipowners and logistics operators). She joined the SBM Offshore NV Group (Netherlands), a leading company in the provision of floating oil systems for offshore production and SPM systems, has held the role of Vice Chairwoman at New Energy Systems, Director of Group Strategy and M&A, Chief Executive Officer at SBM Schiedam and Managing Director of Master Limited Partnership Strategy.

**Frances Vyvyan Ouseley:** born on 13 May 1964, she was awarded a Master of Business Administration from Henley Management College (United Kingdom) and pursued her academic career in Revenue Management at the Massachusetts Institute of Technology in Boston (USA). Her various roles have included: Italy Director for the airline easyJet and board member of the IBAR (Italian Board of Airline Representatives) from 2011 to 2018. Between 1998 and 2008 she held various roles in the airline Alitalia, before becoming its Marketing Director. She has also been a director for special projects at IBM based in London.

**Antonio Segni:** born in Genoa on 11 May 1965. He holds a degree in Law from the Sapienza University of Rome. He is a member of the Bar Association of Rome. His work has focused on the field of extraordinary finance and M&A operations, and in the capital markets sector, providing consultancy to listed companies on corporate governance and financial market regulations. He is on the board of listed companies and has authored publications on financial markets law.

**Mr Paolo Simioni:** born in Valdobbiadene (Treviso) on 19 December 1960, he holds a degree in Civil Engineering from the University of Padua. Over the course of his career he has gained significant experience in the management of companies operating in the transport sector, in concessions, and in the requalification and commercial development of mobility infrastructure. He is currently Chairman and General Manager of ATAC S.p.A., a transport company in the Municipality of Rome. His various roles have included General Manager of ACEA S.p.A., and in the airport sector he has been Chief Executive Officer of SAVE S.p.A. (Venice Airport), Catullo S.p.A. (Verona and Brescia Airports), AERTRE S.p.A. (Treviso Airport) and BSCA S.A. (Brussels South Charleroi Airport). In the rail sector, he has been Chief Executive Officer of Centostazioni S.p.A. (Ferrovie dello Stato Group).

### Diversity policies and criteria

As regards the composition of the management body, the current composition of the ASTM Board of Directors, as in the past, has an adequate mix of members in terms of age, gender, education and professional background, and therefore the Issuer did not consider it necessary to adopt a specific diversity policy for the composition of the management body.

Convinced that gender diversity represents a value in defining corporate governance, the Extraordinary Shareholders' Meeting of 16 October 2019 had introduced into the Articles of Association, even before the recent new regulations (cf. paragraph 4.1 of this Report), specific provisions regarding gender parity in the composition of the governing bodies.

In light of the above, during the appointment of the new Board on 12 February 2020, 6 directors were appointed belonging to the less represented gender, who also meet the independent requirements set out by article 147-ter, paragraph 4 of the TUF and by application criterion 3.C.1. of the Code.

Also on the topic of diversity and inclusion, on 14 March 2018, a policy was approved intended to promote the empowerment of human capital throughout the company organisation, based on criteria of meritocracy, professional expertise, fair conduct, honesty and trust, also promoting a working environment that is inclusive and open to diversity.

In particular, the Issuer is committed to:

- creating a work environment free of any direct or indirect collective or individual discrimination, any type of violence or harassment, whether sexual or targeting personal, political or cultural differences;
- promoting an inclusive culture, based on reciprocal respect, that involves all people and offers them opportunities to develop their talent;
- pursuing a personnel recruitment policy that rewards merit, while respecting equal opportunities. This policy is based on a transparent appraisal of competencies and abilities;
- guaranteeing career or professional development opportunities without any form of discrimination, and respecting diversity;
- pursuing training and the promotion of people, improving the professional development of human resources, inspiring all employees to reach their full potential and supporting the sharing of best practices throughout the organisation;
- pursuing the goal of ensuring that all employees and staff deal with others at all times with dignity, respect and fairness, adopting a conduct that reflects inclusion and supports the Issuer's values.

Maximum number of offices held in other companies

In January 2008, the Issuer adopted a procedure, last reviewed in November 2012, aimed at identifying the maximum number of offices as director or auditor in other companies listed on regulated markets (including foreign markets), in financial, banking, insurance or large enterprises.

The Directors accept the office by taking into account, in their duties, the limits set out by the above procedure (available on the website under the *Governance* section), which takes into consideration the level of commitment implied in each position, also with regard to the nature and size of the companies in which offices are held, as well as whether or not these belong to the Issuer's Group. For the purposes of the maximum number of offices held set out in the above procedure, large enterprises are defined as follows:

- a) Italian companies with shares listed on Italian or foreign regulated markets;
- b) Italian or foreign companies with shares that are not listed on regulated markets, which operate in the insurance, banking, financial brokerage, asset management or financial sectors;
- c) Italian or foreign companies other than those described in the previous paragraphs (a) and (b), which, individually or at Group level in case they draw up the consolidated financial statements, show (i) revenue from sales and services higher than EUR 500 million; and (ii) balance sheet assets higher than EUR 800 million, based on the last set of approved Financial Statements.

Having taken into account the commitment implied in each single position, the following maximum numbers on administration or control offices that can be held in large enterprises, as defined above, were established:

- Executive Directors with management powers: 4
- Executive Directors without management powers: 6
- Non-executive Directors: 8

With regard to the calculation of offices:

- those positions held in companies directly and/or indirectly controlled by the Issuer, as well as in its Parent Companies are not taken into account;
- alternate auditor offices, as well as management and control offices held in associations, foundations, consortium companies, consortia and unlisted cooperatives are not taken into account;
- in order to identify large enterprises pursuant to paragraph c), the item "revenue from sales and services" means income from ordinary operations;

- in case of offices held in companies belonging to the same group and if the Director holds a similar office in the parent company and in companies under its control and included in its scope of consolidation, the identification of large enterprises shall be carried out, for the parent company, on the basis of the Consolidated Financial Statements and, for subsidiaries, based on the related Separate Financial Statements, also if the latter, as sub-holding companies, draw up their own Consolidated Financial Statements;
- in case of offices held in large enterprises belonging to the same group, the weight given to each of the offices except for the first one is reduced by half and, in any case, the fact of holding several positions within the same group shall not imply a total "weighting" higher than 2.

However, the Board is allowed to grant derogations (including temporary ones) for exceeding the aforementioned limits.

The list attached to Table 2 shows the offices held by some Directors, in view of the aforementioned parameters and criteria.

#### Induction Programme

In line with provisions in the Corporate Governance Code on the effective and informed performance of their role by each Director, the Chairman and Chief Executive Officer ensure that the Directors and Auditors are constantly informed of corporate and market situations, as well as of the main legal and regulatory developments concerning the Issuer and its Group. Having considered the industrial holding activities of the Issuer, special attention has been paid to the purchase and disposal of equity investments, in order to have an updated framework on the corporate activities and dynamics under way/being assessed and take appropriate decisions.

In this context, in August 2019 a presentation about the ASTM Group and its core business was provided, with particular reference to the motorway concessions, EPC Contractor (Engineering, Procurement & Construction), Engineering and Technology sectors.

#### **4.3 Role of the Board of Directors (pursuant to article 123-bis, paragraph 2(d) of the TUF)**

During the year, the Board held 15 meetings, which lasted on average for approximately 1 hour and 56 minutes.

As regards 2020, as detailed in the annual schedule of corporate events sent to Borsa Italiana in January 2020 and subsequently adjusted on 18 March 2020, at least 4 meetings have been planned to approve the Financial Statements, the Interim Financial Report, as well as the Quarterly Interim Management Reports. Since the beginning of 2020, 7 meetings have already been held, although 3 were not included in the aforementioned schedule.

The Chairman and the Chief Executive Officer make sure that Directors and Auditors can receive the documents about the agenda well in advance of each Board meeting.

In compliance with the Code and considering the operating dynamics of the Issuer and its group, as well as the specific nature of the organisational and management structure, the Board established a deadline of two business days for sending information prior to board meetings, save for urgent circumstances and in the case of confidential, price-sensitive information. During the year, the above deadline was largely met.

Moreover, the Chairman ensures that each item on the agenda is dealt with thoroughly, by encouraging discussion, which is useful in order to take decisions. To this end, the Chairman may request executives and managers of specific corporate functions of the Issuer or its group to take part in board meetings, and, where conditions are met, advisors and/or legal consultants, in order to thoroughly analyse issues on the agenda. During the year, corporate function managers and consultants took part in the Issuer's executive board meetings, in order to provide support for board proceedings and allow for suitable in-depth analyses of the agenda items. As a standard practice, the Financial Reporting Officer also takes part in board meetings on financial reporting.

Moreover, in order to facilitate the participation of Directors in corporate activities, pursuant to article 19 of the Articles of Association, it is possible for them to attend board meetings remotely, using conference call or video conference systems that ensure prompt and timely information flows.

#### *Powers and authorities of the Board*

Pursuant to article 21 of the Articles of Association, the Board has the broadest powers for the ordinary and extraordinary administration of the Issuer, and may take all actions, including acts of disposal, deemed necessary to achieve the corporate purpose, with the sole exception of actions reserved by law for the Shareholders' Meeting.

The Board is responsible for examining and approving strategic, business and financial plans of the Issuer and its Group. Having taken into account the information provided by the Chief Executive Officer, also with regard to the exercise of relevant management powers, the Board assesses the general results of operations on an ongoing basis.

With reference to the specific powers set out by the Code, the Board monitors the adequacy of the organisational, administrative and accounting structure of the Issuer and the subsidiaries with strategic importance.

The Board also reserves the right to resolve on the operations of the Issuer and its subsidiaries, when said operations have an impact on the strategic, economic and financial position of the Issuer. In particular, pursuant to the Guidelines for significant transactions, last updated on 20 January 2020, the Board is responsible for assessing the following transactions:

- a) issues of bonds or other financial instruments, the issue of guarantees (including guarantees furnished to lending banks) or the undertaking of new gross financial debt that is not envisaged in the strategic plan and/or the annual budget of the Issuer and which, as regards

the last consolidated financial statements approved by the Issuer, would lead to an increase in the consolidated net financial position/EBITDA ratio of the Issuer which is four times (4x) higher, with the exclusion of (i) performance bonds, bid bonds, advance bonds, retainer bonds and other commercial securities issued from time to time by ASTM and the subsidiaries in the framework of ordinary operations, (ii) guarantees issued to tax authorities and (iii) guarantees issued in the interest of, or for obligations undertaken by, any subsidiary;

- b) the granting of loans to entities other than subsidiaries, for amounts higher than EUR 10 million, if this is proportional to the shareholding or for amounts higher than EUR 5 million if this is not proportional to the shareholding;
- c) the signing of derivative contracts (i) of an amount higher than EUR 10 million as notional value, and (ii) which not only aim at hedging corporate risks (by way of non-limiting example: interest rate, foreign exchange and raw material hedging);
- d) the granting of personal guarantees and/or collaterals in favour of entities other than the Issuer or subsidiaries, for amounts higher than EUR 10 million;
- e) merger and split off transactions, where at least one of the companies involved is not a subsidiary;
- f) acquisition or disposal of real estate whose value is higher than EUR 5 million;
- g) acquisition or disposal of companies or business units, assets or other activities whose transaction value is equal to or higher than EUR 10 million;
- h) acquisition or disposal of equity investments, incorporation of new companies and joint ventures and transactions involving new contributions that are not proportional to the shareholding (meaning new contributions for share capital increase subscriptions, payments towards future share capital increases, payments to cover losses) for which (i) the value of the operation for the Issuer is equal to or higher than EUR 10 million (EUR 5 million for operations of subsidiaries), (ii) the signing of agreements for the exercise of rights related to these equity investments and operations that can involve, during their development or at their end, commitments and/or purchase agreements and/or disposal agreements of this kind and of this extent and (iii) that may directly or indirectly constitute a position of control or joint control;
- i) the signing, amendment or resolution of agreements and/or shareholders' agreements relative to companies or joint ventures that may result in the acquisition or loss of a position of control or joint control;
- j) the acquisition, using any method, of new motorway concessions, the presentation of offers



in order to take part in public tenders related to the awarding of new concessions, renewal or extension of the existing motorway concessions, the amendment of the concession agreements and updating of the economic and financial plans (EFPs) appended to the related agreements;

- k) with exclusive reference to the subsidiary Itinera S.p.A.: (i) projects or participation in tenders for projects whose equity value (for the pro-rata portion attributable to Itinera S.p.A.) exceeds EUR 300 million, or, with reference to each financial year, that may generate more than 15% of the consolidated revenues of Itinera S.p.A. and (ii) the issues of bonds or other financial instruments, guarantees furnished or new debt undertaken which is not envisaged in the strategic plan and/or annual budget of the Issuer and which, with reference to the last consolidated financial report approved by Itinera S.p.A., result in a consolidated net financial position of Itinera S.p.A. that is greater than its consolidated shareholders' equity;
- l) any other transaction that has an impact on the strategic, economic and financial position and results of the Issuer.

With respect to the above, for a correct implementation of the procedure within the Issuer's Group, the Board immediately issued the necessary instructions. In this regard, with reference to the subsidiary Itinera S.p.A., in addition to the above transactions, the Board will have to review (i) projects or participation in tenders for projects whose equity value (for the pro-rata portion attributable to Itinera S.p.A.) exceeds EUR 300 million, or, with reference to each financial year, that may generate more than 15% of the consolidated revenues of Itinera S.p.A. and (ii) the issues of bonds or other financial instruments, guarantees furnished or new debt undertaken which is not envisaged in the Strategic Plan/Annual Budget of the Issuer and which, with reference to the last consolidated financial report approved by Itinera S.p.A., result in a consolidated net financial position of Itinera S.p.A. that is greater than its consolidated shareholders' equity.

As regards the decisions taken by the Board on the identification of significant transactions with related parties and implementing procedures, reference should be made to the specific information in paragraph 12.0 "Directors' interests and related party transactions".

#### Assessment on the size, composition and functioning of the Board

In line with the best practices on corporate governance and with the provisions of the Corporate Governance Code for Issuers, the Board appointed on 16 May 2019, taking account of the expiration of the office due to the completion of the Merger, in December 2019 carried out the assessment on its functioning and that of the board committees (board review) for the year, with assistance from the independent consulting company Management Search.

The board review was conducted through the compilation of a questionnaire by each member of the

Board of Directors, followed by individual interviews with the consulting company in order to investigate the most relevant aspects. The interviews were also extended to the Chairman of the Board of Statutory Auditors, in the capacity of observer, in order to expand the self-assessment process with an additional perspective, and concerned: the structure and composition of the Board of Statutory Auditors; the number and duration of the meetings; the completeness and timeliness of the information provided to the Directors in preparation for meetings; how the meetings and decision-making processes are carried out; the adequacy of the time dedicated by the Board of Directors to discuss all relevant issues for the Issuer and the Group, including aspects of risk control and long-term strategy; the functioning of the Committees and the effectiveness of their activity in support of the Board of Directors; the opinion expressed by the Directors on the work carried out by them as part of the Board of Directors and on their contribution to board debates and the decision-making process; the awareness of all Board of Directors members of sustainability issues and standards and how pervasive these topics are in the company organisation and integrated into the way of doing business.

The results of the board review showed a generally positive overview of the functioning of the Board and the Committees and confirmed that they operate in compliance with the legislation and regulations applicable to issuers, according to the best practices on corporate governance.

In particular, some findings included that: the Board has an efficient governance structure and sets up meetings so as to guarantee the possibility for dialogue between all Directors; the information flows available to the Board are adequate for the Directors to make informed decisions; all operational activities are centred around the Chief Executive Officer, who operates in a board context in which the non-executive members of the Board can fully exercise their dialogue and monitoring function; the board meetings are appropriately scheduled; the quality of the debate shows the contribution of the various expertise in the board resolutions; the Board's interaction with the Issuer Company's senior management is adequate; the minutes are a faithful representation of the board meetings.

Some of the strengths related to the functioning of the Board and the Committees included: (i) the adequate balance in the Board composition in relation to expertise, seniority of role and diversity in the age and gender of the Directors; (ii) the adequacy of the documentation made available to the Directors in preparation for meetings; (iii) the positive atmosphere within the Board and the quality of board debate; (iv) the effectiveness with which the meetings are managed by the Chairman in order to favour the expression of opinions; (v) the transparent and constructive relationship between the Chairman, the Chief Executive Officer and the Directors with respect to the roles; (vi) the quantity of the Board reports to the Issuer's senior management; (vii) the effectiveness of the senior management presentations in offering the Board a contribution for expanding upon the most relevant topics; (viii) the quality of the work of the Committees and the support they provide to the

Board's activity; (ix) the support provided to the Board's activity by the Company Secretary.

Considering that the Merger led to the early expiration of the Board in office at the time of the board review, in compliance with Application Criterion 1.C.1.(h) of the Code, the Board of Directors, also considering the outcomes of the self-assessment process, decided to give the Shareholders guidance on the size and composition of the new board. In this respect, the Board considers that the current quantitative composition of the governing body is adequate in order to ensure an adequate balance of expertise and experience, and that the current mix of expertise is in line with the Group's requirements and may even be reinforced by international managerial profiles with specific expertise in the Company's area of business, capable of making a contribution including in terms of strategic vision and business judgement. For further information, please refer to the guidelines included in the report relative to the appointment of the Board prepared pursuant to article 125-ter of the TUF with reference to the shareholders' meeting held on 12 February 2020 and published on the Issuer's website ([www.astm.it/en](http://www.astm.it/en)) in the section Governance/Shareholders' meetings.

#### Non-competition clause pursuant to article 2390 of the Civil Code

The Meeting did not grant derogations from the non-competition clause set out in article 2390 of the Civil Code as a general and preventive measure.

#### **4.4 Delegated bodies**

##### Chief Executive Officer

Following the appointment of the governing body by the Shareholders' Meeting of 16 May 2019, the Board, on the same day, and in line with the previous board mandate, appointed Alberto Rubegni as Chief Executive Officer of the Issuer, conferring the relevant management powers.

Following the renewal of the Board of Directors by the Shareholders' Meeting held on 12 February 2020, the Board of Directors, on 18 February 2020, set out the Issuer's governance lines, adopting resolutions on corporate offices and the related management powers, in line with the previous financial year as regards the content of those powers.

At that meeting, the Board appointed Umberto Tosoni as Chief Executive Officer and General Manager of the Issuer, giving him the power to:

- a) carry out all company operations, save for limitations established by law and by the Articles of Association, with the exception of the following issues which are within the exclusive remit of the Board of Directors:
  - sell, exchange and transfer real estate in incorporated companies or companies under incorporation;
  - transfer, sell, award and generally dispose of the equity investments held in subsidiaries so that the equity investment is lower than 50.1% of the share capital;

- approve and amend the budget and business plan of the Company;
  - appoint, manage and terminate employment with the General Manager (GM) and the chief financial officer (CFO) of the Issuer;
  - determine the criteria for the selection of the Issuer's Senior Management, and
  - give voting instructions to represent the Issuer in the shareholders' meetings of IGLI S.p.A. or the Group company that holds, directly or indirectly, the capital of Primav Infrastruttura S.A. and Ecorodovias Infrastruttura e Logistica S.A. for resolutions regarding (i) capital increases for payment, (ii) issues of bonds and/or other financial instruments that can be converted into shares, (iii) mergers, demergers, liquidation (or transfer of all, or essentially all, assets), (iv) amendments to the articles of association related to the composition of the Board of Directors and the Board of Statutory Auditors, (v) directors' remuneration, approval or amendment to the incentive plans and remuneration policies.
- b) appoint and revoke appointment of proxies and attorneys by setting out their powers;
- c) file actions, petitions and complaints, promote and support legal actions on behalf of the company – acting as both claimant or defendant – at any court (civil, penal or administrative) and at any level of jurisdiction, in Italy and abroad, with the power to appoint and revoke lawyers and prosecutors to this end;
- d) prepare, in accordance with the general guidance established by the Board of Directors, the organisational programmes to be submitted in advance for review by the Board of Directors;
- e) oversee the execution by the structure of all ordinary administration acts in compliance with the criteria established by the Board of Directors;
- f) coordinate and oversee the organisation of employees, defining their tasks and competencies, as well as adopt disciplinary procedures in accordance with current provisions, the national collective bargaining agreement and company trade union agreements.

Chairman of the Board of Directors

In line with the previous mandate, the Shareholders' Meeting of 16 May 2019 appointed Professor Gian Maria Gros-Pietro as Chairman of the Board of Directors.

Following the renewal of the governing body by the Shareholders' Meeting of 12 February 2020, and in the absence of the appointment of the Chairman of the Board of Directors by said Shareholders' Meeting, the Board of 18 February 2020 appointed Alberto Rubegni as Chairman of the Issuer's Board of Directors. The Chairman legally represents the Company before third parties and in court, and has the following powers to be exercised with separate signature: (i) setting the agenda of the Board of Directors' meeting, in agreement with the Chief Executive Officer, (ii) providing for external communication, together with the Chief Executive Officer, (iii) signing corporate mail and the

documents related to the office and the exercise of powers.

#### Vice Chairman

Until the Shareholders' Meeting of 16 May 2019, the Vice Chairpersons of the Issuer were Daniela Gavio and Marcello Gavio (appointed in the board meeting of 28 April 2016), in addition to Roberto Testore (appointed on 14 November 2018 in addition to the Vice Chairs already in office).

Following the appointment of the governing body by the Shareholders' Meeting of 16 May 2019, the Board, on the same day, appointed Daniela Gavio and Roberto Testore as the two Vice Chairperson.

With a view to guarantee the managerial and operational continuity of the Board, following the renewal of the governing body by the Shareholders' Meeting of 12 February 2020, during the meeting of 18 February 2020, the Board appointed Franco Moschetti as Vice Chairman of the Board of Directors.

The Vice Chairman has the same powers as the Chairman, to be exercised with separate signature, in the absence or impediment of the Chair.

#### Executive Committee (pursuant to article 123-bis, paragraph 2(d) of the TUF)

Based on the current organisational and operating structure of the Issuer, the Board of Directors did not appoint an Executive Committee.

#### Information to the Board

The Chief Executive Officer reports to the Board and the Board of Statutory Auditors on the activities carried out in the exercise of his/her powers, as well as on the overall performance and the outlook, and on major economic, financial and asset transactions effected by the Issuer or its subsidiaries during individual meetings, held at least every quarter.

#### **4.5 Other Executive Directors**

Currently, in addition to Chief Executive Officer Umberto Tosoni, pursuant to the definition contained in criterion 2.C.1. of the Code, Chairman Alberto Rubegni is also an Executive Director, since he is the Chief Executive Officer of Nuova Argo.

With reference to the composition of the Boards appointed by the Shareholders' Meeting of 28 April 2016 and the Board appointed by the Shareholders' Meeting of 16 May 2019, in addition to Chief Executive Officer Alberto Rubegni, the following Directors were also considered Executive Directors pursuant to the definition contained in criterion 2.C.1. of the Code:

- Beniamino Gavio, as Chairman of the Board of Directors of Nuova Argo Finanziaria S.p.A.;
- Daniela Gavio, in her capacity as (i) executive of Itinera S.p.A., a subsidiary with strategic importance and (ii) Director of Nuova Argo Finanziaria S.p.A.;

- Marcello Gavio, in his capacity as (i) executive of Itinera S.p.A., a subsidiary with strategic importance and (ii) Director of Nuova Argo Finanziaria S.p.A.

#### **4.6 Independent Directors**

The information related to the Independent Directors that formed part (i) of the Board of Directors appointed by the Shareholders' Meeting of 28 April 2016 and terminated with the approval of the financial statements as at 31 December 2018, on 16 May 2019, (ii) of the Board of Directors appointed by the Shareholders' Meeting of 16 May 2019 in office as at 31 December 2019 and (iii) of the Board of Directors appointed by the Shareholders' Meeting of 12 February 2020 and currently in office, is reported in three separate sections.

##### *Board appointed by the Shareholders' Meeting of 28 April 2016*

As regards the Issuer's corporate structure appointed by the Shareholders' Meeting of 28 April 2016 and in office until the Shareholders' Meeting of 16 May 2019, 9 Directors (Caterina Bima, Arabella Caporello, Giuseppe Garofano, Giuseppe Gatto, Barbara Poggiali, Luigi Roth, Anna Chiara Svelto, Roberto Testore, Marco Weigmann) declared, on their appointment, that they met the independence requirements envisaged by the Code and article 148, paragraph 3 of the TUF.

After the appointment of the above directors and during annual assessments, of which the last one was conducted on 28 February 2019, the Board considered the above requirements as being met, also after consulting with the Board of Statutory Auditors. In this regard, the Board had given a favourable opinion on confirming (i) the independence of the Director Giuseppe Garofano, who had been in office for more than nine years, considering his independent judgement and professional qualities demonstrated and (ii) the independence of the Director Giuseppe Gatto, considering that his position as director in the subsidiary Itinera S.p.A. (without any managerial or executive function) did not in any way affect his independent judgement.

##### *Board appointed by the Shareholders' Meeting of 16 May 2019*

As regards the Issuer's corporate structure appointed by the Shareholders' Meeting of 16 May 2019 and in office until 12 February 2020, 10 Directors (Caterina Bima, Arabella Caporello, Giulio Gallazzi, Giuseppe Gatto – considering that the office of director was held by Giuseppe Gatto in the subsidiary Itinera S.p.A. (without any managerial or executive function) did not in any way affect his independent judgement – Venanzio Iacozzilli, Fabiola Mascardi, Barbara Poggiali, Luigi Roth and Roberto Testore) declared, upon acceptance of their appointment, that they met the independence requirements with reference to the Code and article 148, paragraph 3 of the TUF. Gian Maria Gros-Pietro declared to meet only the independence requirements with reference to article 148, paragraph 3 of the TUF.

After the appointment, the Board considered the above requirements as being met, also after consulting with the Board of Statutory Auditors, during the meeting held on 16 May 2019 (and disclosed to the market on the same day).

*Board appointed by the Shareholders' Meeting of 12 February 2020*

As regards the Issuer's corporate structure, 11 Directors (Caterina Bima, Giulio Gallazzi, Giuseppe Gatto, Patrizia Giangualano, Venanzio Iacozzilli, Fabiola Mascardi, Valentina Mele, Franco Moscetti, Andrea Pellegrini, Barbara Poggiali and Micaela Vescia) declared, on their appointment, that they met the independence requirements envisaged by the Code and article 148, paragraph 3 of the TUF.

After the appointment, the Board considered the above requirements as being met, also after consulting with the Board of Statutory Auditors, during the meeting held on 18 February 2020 (and disclosed to the market on the same day).

In this respect, during the Board of Directors meeting of 18 February 2020, the Director Giuseppe Gatto announced that he held the office of non-executive director of the subsidiary Itinera S.p.A., specifying that (i) he did not, nor had not in the past, held any executive or managerial office in that company and (ii) for that office he received a gross annual remuneration of EUR 20,000 in addition to the attendance fees. The Board acknowledged Director Gatto's statement and, following the necessary assessments, confirmed the independence of Director Giuseppe Gatto, considering that the office held by him in the subsidiary Itinera S.p.A. (without any managerial or executive function) does not in any way affect his independent judgement.

All Directors undertook to report to the Issuer on any change of the information provided upon acceptance of the candidature, among which their independence.

In the framework of its specific powers and authorities, the Board of Statutory Auditors favourably examined and verified the correct application of the assessment criteria and procedures adopted by the Board to assess the independence of its members.

*Independent Directors' meeting*

The Independent Directors in office at the time met on 23 January 2019. Following their assessment, they expressed a favourable opinion of the operations and composition of the Management Body. The members had professional profiles and knowledge suitable to achieving the strategies and aims of the Issuer and its Group.

The Directors:

- expressed a favourable opinion on the existing information flow which made it possible to adequately monitor the operations of the company and the SCIGR, contributing to this the pre-meeting information and debate and review of board and Committee activities, so as to enable Directors to make informed decisions;
- considered that the Board was periodically updated on the ordinary and extraordinary operations of the Company, on significant events, as well as on initiatives taken by the Chief Executive Officer,

carried out in the exercise of management powers and that company operations were carried out according to criteria of transparency, in the light of which Directors notified situations in which they had interests;

- highlighted the support of and contribution to board activities from the Audit, Risk and Sustainability Committee, Appointments and Remuneration Committee and Supervisory Board, which, as part of their duties, reported at regular intervals on the outcomes of their activities, assisting assessments and decisions of the Board, where applicable;
- with particular reference to the Board composition, considered the balance of executive, non-executive and independent directors to be adequate;
- expressed appreciation for the establishment of an Appointments Committee that (i) submits opinions to the Board on the Board's size and composition and (ii) makes recommendations on the professional profiles considered suitable for the Board, also in cases of co-option.

On 14 November 2019, an additional meeting was held reserved for the Independent Directors in office at the time, who examined the operations of the Board in light of the operations carried out after the Board meeting of 16 May 2019 and, in particular, of the Merger (*i.e.* the merger by incorporation of SIAS into ASTM).

Following their assessment, the Directors expressed a favourable opinion on the existing information flow which made it possible to adequately monitor the operations of the company, including thanks to the support and contribution provided to the board activities by the Audit, Risk and Sustainability Committee, whose involvement was considered necessary for all operations that, regardless of the nature of the counterparty, were significant in amount and/or strategic value.

#### **4.7 *Lead independent director***

The current organisational structure of the Board complies with the Code, based on which, business management should typically be separated from the duties of Chairman. For this reason, there is no need to appoint a lead independent director among independent directors.

#### **5.0 HANDLING OF CORPORATE INFORMATION**

During the financial year, the Chairman and the Chief Executive Officer, in co-operation with the Investor Relations function and Corporate and Compliance function, were in charge of the management of corporate information, with particular reference to price sensitive information.

Documents and information on the Issuer and its subsidiaries are disclosed externally – in agreement with the Chairman and the Chief Executive Officer – by the Board's Secretarial Department and the Corporate and Compliance Function for notices to relevant Authorities and Shareholders, and by the investor relations manager for notices to institutional investors.

In compliance with the new legal framework on market abuse, established when the MAR (Regulation



(EU) no. 596/2014) came into force, the Issuer has adopted a procedure to guarantee (i) the internal management and external disclosure of corporate documents and information concerning the Issuer and its subsidiaries, with particular reference to inside information, and (ii) to keep an insider list, i.e. of persons that have access to inside information (as regards the latter aspect, the Issuer has a specific IT procedure, with contents and operating mechanisms that are aligned with the principles and objectives of applicable laws). In particular, the new procedure includes provisions pertaining to the internal handling and the external disclosure of corporate documents and information, with specific reference to inside information, and defines roles, responsibilities and operational methods for the management of such information, considering their identification and disclosure to the market, including, where applicable, the activation of the procedure for delayed disclosure to the market and the updating of the insider list.

Following the publication on 13 October 2017 of Consob guidelines on the “*Management of inside information*”, the Issuer started work with the Audit and Risk Committee to adopt Consob guidelines, also in view of “inside information” relative to the Issuer identified with reference to the 2013/2017 five-year period. Following this activity, the Board, on 14 March 2018, with the approval of the Audit, Risk and Sustainability Committee and the Board of Statutory Auditors, approved a new “*Procedure for the management, processing and disclosure of significant and inside information of ASTM S.p.A.*” which (i) identifies the functions or organisational units that, for various reasons, are involved, within the Issuer, in the processing of significant or inside information, (ii) mapped the potential types of significant or inside information and (iii) coded provisions relative (x) to the internal management and external communication of corporate documents and information concerning the Issuer and its subsidiaries, with particular reference to significant and inside information and (y) kept and updated the Insider List.

During 2018, the above procedure was revised (i) to align with new aspects introduced by Legislative Decree no. 107/2018 on the procedure to explain any delay in disclosing significant or inside information to the market; (ii) to update the map of significant information; (iii) to update the formats to notify registration in the Relevant Information List, in view of Regulation (EU) 679/2016.

With respect to “Insider Trading” rules, which are governed by a dedicated procedure that was last updated following the entry into force of the MAR (“*Transactions carried out by relevant parties and close associates*”), the Corporate Compliance Function is the unit responsible for receiving, managing and disclosing to the market any material transactions effected, on the Issuer's shares and of financial instruments linked to it, by "relevant persons" and “close associates”, as identified on the basis of current legal and regulatory provisions.

In order to promptly comply with disclosure requirements, a document is drawn up and given to relevant parties. This document contains (i) all legal and regulatory provisions that constitute the regulatory framework, (ii) the terms and conditions for communications to Consob, the Issuer and

the market, (iii) a request to declare the close associates to the Issuer, for the purposes of adding them to the insider trading register.

This document also provides regulations on the black-out period, which is the time when significant entities may not carry out transactions in specific periods of the year (the 30 calendar days prior to the announcement of the accounting/financial information relative to the draft annual financial statements, the consolidated financial statements and the interim financial report).

## **6.0 BOARD COMMITTEES (PURSUANT TO ART. 123-BIS, PARAGRAPH 2(D) OF THE TUF)**

Following the renewal of the governing body by the Ordinary Shareholders' Meeting of 12 February 2020, the Board, at the meeting held on 18 February 2020, considering the need to integrate corporate sustainability into the definition of strategies, including on the basis of an analysis of the significant factors that may impact the long-term generation of value, considered it necessary to assess the institution of a specific Committee dedicated to sustainability issues, the functions of which were previously attributed to the Audit, Risk and Sustainability Committee.

Consequently, the Board established three board committees: the Audit and Risk Committee, the Appointments and Remuneration Committee and the Sustainability Committee. The composition of the board committees complies with the provisions of the Code and article 16 of the Markets Regulation, since all members are non-executive directors and meet the independence requirements.

## **7.0 APPOINTMENTS AND REMUNERATION COMMITTEE**

During the meeting held on 16 May 2019, the Board – considering the developments in the group's ownership structure, and in order to align the Issuer's corporate governance rules with provisions in the Code and with market best practices – confirmed the decision already made in 2018 to (i) give a single committee the appointments and remuneration functions assigned by the Code and (ii) name this committee the “*Appointments and Remuneration Committee*”.

*Composition and functioning of the Appointments and Remuneration Committee (pursuant to article 123-bis, paragraph 2(d) of the TUF)*

Until the Shareholders' Meeting of 16 May 2019, the Appointments and Remuneration Committee was comprised of the Independent Directors Arabella Caporello (Chairwoman), Anna Chiara Svelto and Barbara Poggiali, who had adequate knowledge of financial and remuneration, as well as management recruitment policies.

As at 31 December 2019 and until the Shareholders' Meeting of 12 February 2020 (with the exception of Arabella Caporello, who resigned on 21 January 2020), the Appointments and Remuneration Committee was formed of the non-executive and independent Directors Arabella Caporello (Chairwoman), Fabiola Mascardi and Barbara Poggiali, who all had adequate knowledge and

experience in finance, remuneration policies and management recruitment.

The Appointments and Remuneration Committee is convened upon request of its members by the Board's Secretarial function, which also duly prepares the minutes of each single meeting. All members of the Board of Statutory Auditors are invited to take part in the meetings. Pursuant to the recommendations contained in the Code, the Directors do not attend the Committee's meetings during which proposals are made to the Board with regard to their remuneration. The Committee's activities are coordinated by the Chairwoman, who informs the Board at the next meeting.

The Appointments and Remuneration Committee held 10 meetings in the year, which lasted on average for approximately 1 hour and 15 minutes.

The Board meeting held on 18 February 2020 appointed the new members of the Appointments and Remuneration Committee: independent directors Franco Moschetti (Chairman), Giulio Gallazzi and Micaela Vescia.

During 2020, the Appointments and Remuneration Committee held 5 meetings, which lasted on average for approximately 1 hour and 35 minutes.

#### Functions

- *Appointments*

In compliance with the Code, the Appointments and Remuneration Committee, with regard to the functions set out by criterion 5.C.1 of the Code, may (i) provide the Board of Directors with opinions on the size and composition of the Board, and recommendations on the types of professional positions considered appropriate to sit on the Board, as well as the maximum number of positions (Criterion 1.C.3 of the Corporate Governance Code) and on any departures from the prohibition on competition established by article 2390 of the Civil Code (Criterion 1.C.4 of the Corporate Governance Code); (ii) propose to the Board candidates to the office of director in the case that directors need to be co-opted, when it becomes necessary to replace independent directors.

- *Remuneration*

With reference to the functions set out by criterion 6.C.5 of the Code, the Appointments and Remuneration Committee may: (i) submit proposals to the Board concerning remuneration policies for directors and key management personnel; (ii) periodically assess the adequacy, general consistency and practical implementation of remuneration policies adopted for Directors and key management personnel, by making use (with regard to this latter point) of the information provided by the Chief Executive Officer, as well as make proposals to the Board on this subject; (iii) submit proposals or express opinions to the Board on the remuneration of executive directors and other directors holding specific offices, as well as on the performance objectives related to the variable portion of this remuneration, and (iv) monitor the implementation of the decisions adopted by the

Board by assessing, in particular, the achievement of performance objectives.

To carry out its duties, the Appointments and Remuneration Committee uses corporate resources and may be assisted by external consultants, whose costs are to be borne by the Issuer (application criterion 4.C.1.(e)). To date, the Board has decided not to adopt a specific budget for the Appointments and Remuneration Committee.

The Appointments and Remuneration Committee requested non-members to attend meetings, concerning individual items on the agenda (Application Criterion 4.C.1.(f)) and in particular (i) the members of the Board of Statutory Auditors and (ii) employees and consultants of the Issuer to assist activities or act as consultants for areas in their responsibility.

## 8.0 DIRECTORS' REMUNERATION

### General remuneration policy

Pursuant to article 16 of the current Articles of Association, the Shareholders' Meeting resolves on the annual remuneration due to the members of the Board of Directors. This remuneration also remains valid for the financial years following the one for which it was resolved, until otherwise determined by the Shareholders' Meeting. The members of the Board are also entitled to the reimbursement of expenses incurred as a result of their office.

Without prejudice to the remuneration approved by the Shareholders' Meeting, the remuneration of directors holding corporate offices are established by the Board, upon proposal of the Appointments and Remuneration Committee and having consulted with the Board of Statutory Auditors, pursuant to article 2389 of the Civil Code, as well as, where applicable, with the Audit and Risk Committee, in compliance with the procedure on related party transactions adopted by the Issuer.

The Board also determines the compensation for members of the Supervisory Board, and for Committees and functions which are recommended by the Code.

In March 2019, on the proposal of the Appointments and Remuneration Committee, the Board approved the remuneration policy of the Issuer which was approved by the Shareholders' Meeting of 16 May 2019, requested to pass an advisory vote.

### Remuneration of executive directors

In light of major changes in the Company's and Group's strategy, and of business development initiatives including those on international markets and requests from investors, in 2017 the Company introduced a management incentive system aimed at promoting the achievement of increasingly outstanding results and creating a virtuous link between compensation and business performance. Specifically, (i) an annual incentive system was adopted based on achieving economic/financial and project/strategic objectives, as well as (ii) a long-term incentive scheme that

ensures the alignment of managerial behaviour with the objectives of strategic plans.

The policy guidelines for 2020 were approved, also taking into account the reduced visibility of operating scenarios due to the Covid-19 emergency when determining the objectives of the annual incentive scheme.

#### Remuneration of key management personnel

The managerial incentive scheme for executive directors also extends to the Key Management Personnel identified by the Company.

#### Incentives for the internal audit manager and the manager in charge of drawing up the corporate accounting documentation

Incentives for the internal audit manager and the Financial Reporting Officer are defined in line with (i) policies adopted by the Issuer on the remuneration of management and (ii) the duties assigned to these functions.

#### Directors' indemnity in case of resignation, dismissal or termination of the employment relationship following a takeover bid (pursuant to Article 123-bis, paragraph 1(i) of the TUF)

The Issuer did not sign with the Directors any agreements for indemnities in case of resignation, dismissal or termination of the employment following a takeover bid, nor any non-competition agreements entailing the payment of a sum in respect of the obligation arising from the aforementioned agreements.

\*\*\*

This issue is described in full in the "Report on the Remuneration Policy and Fees Paid" (prepared in compliance with article 123-ter of the TUF and article 84-quater of the Consob Issuers' Regulation), which is available on the Issuer's website ([www.astm.it/en](http://www.astm.it/en)) under the section Governance/Remuneration.

## **9.0 AUDIT AND RISK COMMITTEE**

#### Composition and functioning of the Audit and Risk Committee (pursuant to article 123-bis, paragraph 2(d) of the TUF)

The Audit and Risk Committee is convened upon request of its members by the Board's Secretarial function, which also duly prepares the minutes of each single meeting. All members of the Board of Statutory Auditors are invited to take part in the meetings.

Until 12 February 2020, the Board also oversaw supervision of sustainability issues related to its operations and engagement with stakeholders, as well as review of the sustainability plan, the monitoring of its implementation and review of the sustainability report. This decision – approved by the Committee, as at the time it was considered functional for and compatible with the activities it

already carried out – met the Issuer’s aim, now pursued through the institution of a specific committee, as part of its approach to Corporate Social Responsibility, of integrating its current governance structure and set of procedures, processes and structures of the operational organisation that monitor the production, reporting, measurement and representation of non-financial disclosure.

Until the Shareholders’ Meeting of 16 May 2019, as well as at 31 December 2019 and until the Shareholders’ Meeting of 12 February 2020, the Audit, Risk and Sustainability Committee was formed of the independent directors Giuseppe Garofano (Chairman), Giuseppe Gatto and Roberto Testore, who all had adequate knowledge of and experience in accounting, finance and risk management, considered adequate by the Board at the time of their appointment.

During the year, the Audit, Risk and Sustainability Committee held 19 meetings and 5 meetings in 2020, which lasted on average for approximately 1 hour and 21 minutes. The Committee is convened upon request of its members by the Board’s Secretarial Department, which also records the minutes of each single meeting. All members of the Board of Statutory Auditors are invited to take part in the meetings. The Committee’s activities are coordinated by the Chairman, who informs the Board at the next meeting.

The Audit, Risk and Sustainability Committee regularly requested non-members to attend meetings, concerning individual items on the agenda, and in particular (i) the members of the Board of Statutory Auditors and (ii) employees and consultants of the Issuer to assist activities or act as consultants for areas in their responsibility.

As mentioned in section 6.0, the Board meeting held on 18 February 2020 resolved to establish the new Sustainability Committee, which was assigned the functions previously overseen by the Audit, Risk and Sustainability Committee (cf. section 10.0). Therefore, the Board resolved to change the name of the Audit, Risk and Sustainability Committee to the Audit and Risk Committee, appointing the non-executive and independent directors Andrea Pellegrini (Chairman), Giuseppe Gatto and Patrizia Giangualano as members, all of whom have adequate experience in accounting, finance and risk management.

In relation to the above, the Audit and Risk Committee reports on the results of its activities on a half-yearly basis, during meetings held to approve the annual and interim accounting documents. As a consequence, at least two meetings have been planned for 2020, without prejudice to further meetings concerning any preliminary assessment of transactions with related parties.

#### Functions of the Audit and Risk Committee

The Audit and Risk Committee assisted the Board in carrying out the tasks assigned to the latter with regard to internal audit issues, by having access to all necessary corporate information and functions.

The Audit and Risk Committee carries out the duties envisaged in the Code, and namely: (i)

together with the Financial Reporting Officer and having consulted with the independent auditor and the Board of Statutory Auditors, it assesses the correct use of accounting policies and, in case of groups, their uniformity with regard to the preparation of the Consolidated Financial Statements; (ii) it expresses opinions on specific aspects concerning the identification of main corporate risks; (iii) it evaluates the periodic reports on the assessment of the SCIGR, and those of significant importance prepared by the internal audit function; (iv) it monitors the autonomy, adequacy, efficacy and effectiveness of the internal audit function, and where deemed necessary, it requests the internal audit function to carry out audits on specific operating areas, by notifying this to the Chairman of the Board of Statutory Auditors; (v) it reports to the Board on its activity and the adequacy of the SCIGR at least on a half-yearly basis, at the time of approval of the annual and interim financial reports; and (vi) it carries out investigation activity to support the decisions of the Board on the management of risks arising from detrimental events that have come to the attention of the Board.

During the year, the Audit and Risk Committee carried out all above functions, and did not request the internal audit function to carry out audits on specific operating areas.

In this context, the Committee receives the following information flows:

- the Audit Plan from the Internal Audit function, to submit to the Board of Directors for approval, as well as the periodic report on audit results;
- from the Financial Reporting Officer, a report on the activities carried out to ensure the correctness, completeness and operating efficiency of the administrative and accounting procedures required to adequately prepare the Separate and Consolidated Financial Statements;
- from the Director of the SCIGR, the report on the adoption of the SCIGR guidelines and on the adequacy and effectiveness of the system overall, as well as any reports concerning problems and critical aspects identified during activities.
- according to the procedure on related party transactions adopted by the Issuer, the Audit and Risk Committee is in charge of analysing in advance and as applicable, related party transactions, in order to support the Board's resolutions.
- to carry out its duties, the Audit and Risk Committee uses corporate resources and may be assisted by external consultants, whose costs are to be borne by the Issuer. To date, the Board has decided not to adopt a specific budget for the Audit and Risk Committee.

In light of the competencies then assigned to it regarding sustainability and corporate responsibility, on 7 November 2019, the Committee also approved the update to the 2017-2021 Sustainability Plan and monitored its implementation status.

## **10.0 SUSTAINABILITY COMMITTEE**

The Board meeting held on 18 February 2020 – in light of the need to promote a greater integration

of corporate sustainability into the definition of strategies, including on the basis of an analysis of the significant factors that may impact the long-term generation of value – resolved to establish the Sustainability Committee, which was assigned the sustainability functions previously overseen by the Audit, Risk and Sustainability Committee.

The Sustainability Committee is convened upon request of its members by the Board’s Secretarial function, which also duly prepares the minutes of each single meeting. All members of the Board of Statutory Auditors are invited to take part in the meetings. The Committee’s activities are coordinated by the Chairwoman, who informs the Board at the next meeting.

To date, the Sustainability Committee is formed of the non-executive and independent Directors Fabiola Mascardi (Chairwoman), Valentina Mele and Barbara Poggiali.

During 2020, the Committee held 3 meetings, which lasted on average for approximately 1 hour and 27 minutes.

The Sustainability Committee regularly requested non-members to attend meetings, concerning individual items on the agenda, and in particular (i) the members of the Board of Statutory Auditors and (ii) employees and consultants of the Issuer to assist activities or act as consultants for areas in their responsibility.

## 11.0 INTERNAL AUDIT AND RISK MANAGEMENT SYSTEM

The SCIGR comprises the tools, organisational structures and company procedures that contribute, through a process which identifies, manages and monitors main risks of the Issuer, to business management that is robust, fair and consistent with the objectives established by the Board.

The SCIGR is a part of the more general organisational and corporate governance configurations adopted by the Issuer and takes account of reference models, the recommendations of the Code and best practices at national level – such as the principles of the Code – and international level, such as the CoSO (Committee of Sponsoring Organizations of the Treadway Commission) Internal Control – Integrated Framework.

The procedures and significant roles are defined in the “*Guidelines for the Internal Audit and Risk Management System*”, which formalise the *modus operandi* of the Issuer for auditing activities, with the aim of:

- explaining the roles and responsibilities of main entities involved in the audit process;
- formalising relations between the Internal Audit function and audited entities, as well as information flows between this function and control bodies;
- making the rules of conduct and principles which the Internal Audit function must observe in its activities transparent.



Taking into account its profile as an industrial holding, the Issuer currently has an adequate organisational structure, since it carries out its activities through its subsidiaries, which enjoy full management autonomy.

In the framework of the "*Guidelines for the Internal Audit and Risk Management System*", the Board, the Director of the SCIGR, the internal audit function and the Financial Reporting Officer, and for the "Model 231" and "Control Model 262" organisational profiles, all have a part in safeguarding the principles of proper and efficient management. For further details, see other relative sections of this Report.

The Board of 20 January 2020 updated the SCIGR in light of the new organisational structure following the Merger, targeting the separation of the financial and compliance risks specific to holdings, monitored by the Issuer, and the risks related to the specific business activities managed autonomously by the individual subsidiaries.

The new SCIGR requires that each subsidiary have its own Internal Audit and Risk Management System, aimed at allowing for the identification, measurement, management and monitoring of the main corporate risks pertaining to its business activity.

The new SCIGR requires:

- the introduction within the Issuer's organisation of Coordinators (distributed between the Italian Concessions, Foreign Concessions, EPC and Technology & Innovation business areas), who support the Issuer's Chief Executive Officer in the coordination of the subsidiaries;
- the review of the periodic information flows between the Issuer and the subsidiaries, which send their reports on the internal audit and risk management system to the respective Coordinators. With particular reference to the activities of the licensees, each subsidiary operating in that sector will provide the Coordinator with a quarterly statement on the safety status of its infrastructure (negative assurance) including on the basis of opinions issued by independent third parties;
- the revision of the information flows between the Issuer's corporate functions, with the requirement of information to be sent from the Coordinators to the Risk Manager, and from the Risk Manager to the Director of the SCIGR;
- the update of ASTM's top risks and related mitigating actions, identified on the basis of an optimised risk assessment methodology that mainly consists of the identification of strategic objectives and the definition of a risk assessment scale in terms of probability of occurrence and impact.

As regards recommendations on whistleblowing in article 7 of the Code, the Issuer has adopted an internal procedure, as part of its Organisational Model pursuant to Legislative Decree 231/2001 and its Anti-Corruption Policy, to protect persons making anonymous reports. The Issuer has also

provided for the launch in 2020 of a digital platform to manage reports pertaining to predicate crimes, violations of the Organisational Model, and irregularities or violations of the company procedures.

With specific regard to the main features of the existing risk management and internal audit systems concerning the (consolidated) financial reporting process, if applicable, reference is made to Annex 1.

### **11.1 Role of the Board of Directors**

The Board is responsible for the SCIGR; thanks to the support given by the Committee, it identifies its policies and regularly assesses its suitability and effectiveness, ensuring that the main corporate risks are identified and managed consistently with strategic objectives.

In particular, the Board of Directors, after consultation with the Audit and Risk Committee:

- defines the guidelines of the SCIGR, determining the level of compatibility of these risks with a business management in line with strategic objectives identified, including in its assessments, all risks that may be significant as regards the medium/long-term sustainability of the Issuer's operations;
- assesses, at least annually, the adequacy and effectiveness of the SCIGR, in relation to the Issuer's characteristics and the risk profile undertaken;
- approves, at least annually, the work plan prepared by the Internal Audit function manager, after consulting with the Board of Statutory Auditors and Director of the SCIGR;
- appoints and withdraws the appointment of the Internal Audit manager, on the proposal of the Director of the SCIGR, after consulting with the Board of Statutory Auditors and obtaining approval from the Audit and Risk Committee;
- ensures that the Internal Audit manager has adequate resources for his/her responsibilities;
- evaluates, after consulting with the Board of Statutory Auditors, the results of the independent auditors in their letter of findings and fundamental issues identified during auditing.

The Board also receives information flows from other entities of the SCIGR and namely:

- from the Audit and Risk Committee, the results of reviews on the functioning of the SCIGR;
- from the Financial Reporting Officer, a report on the activities carried out to ensure the correctness, completeness and operating efficiency of the administrative and accounting procedures required to adequately prepare the Annual and Consolidated Financial Statements;
- from the Supervisory Board appointed pursuant to Legislative Decree 231/2001, the six-monthly report summarising the outcomes of audit activities carried out.

Lastly, the Board, through the Chairman, receives the periodic report of the Internal Audit manager

summarising the results of audits conducted at the Issuer and its subsidiaries and the assessment of the SCIGR.

Within the Board, the Audit and Risk Committee receives the half-yearly report by the Director of the SCIGR, who in turn receives from the Risk Manager the information flows pertaining to the risk assessment and the information sent by the Coordinators.

The Board meeting held on 14 April 2020, having regard to the opinion expressed in the periodic report by the Audit and Risk Committee, considered the SCIGR to be adequate and effective with respect to the company's characteristics and risk profile undertaken.

### **11.2 Director responsible for the internal audit and risk management system**

As at 14 November 2018 and until the Shareholders' Meeting of 12 February 2020, Alberto Rubegni held the role of Director of the SCIGR.

The Board meeting held on 18 February 2020 appointed the current Chief Executive Officer, Umberto Tosoni, as Director of the SCIGR.

As part of his responsibilities, the Director of the SCIGR carried out an assessment during the year, together with the Audit, Risk and Sustainability Committee, based on which the SCIGR of the Issuer was updated, giving the Issuer, in its capacity as an industrial holding, a key role in coordinating and promoting equity investments and identifying new investment opportunities. In this context, the Issuer:

- manages financial and compliance risks relative to the nature of the holding;
- defines the guidelines for the SCIGR of subsidiaries;
- monitors the implementation status of the group's strategic plan and main economic/financial indicators of its subsidiaries.

Moreover, the subsidiaries, in line with their legal and operational autonomy, are independently responsible for managing the operational risk of their own business activities.

The Director of the SCIGR:

- actually adopts the guidelines defined by the Board, overseeing the planning, development and management of the SCIGR and verifying its adequacy and effectiveness on a continual basis, adapting it to the dynamics of operating conditions and the legal and regulatory framework;
- oversees the identification of main company risks, taking into account the characteristics of activities carried out by the Issuer, and submits them at regular intervals to the Board, for review;
- may request the Internal Audit Function to perform checks on specific areas of operation and

on compliance with the internal rules and procedures in conducting corporate operations, concurrently notifying the Chairman of the Board of Directors, the Chairman of the Audit and Risk Committee and the Chairman of the Board of Statutory Auditors;

- promptly reports to the Audit and Risk Committee on issues and critical aspects identified in carrying out his/her activities or that come to his/her knowledge, so that the Committee may act accordingly.

### **11.3 Internal Audit Manager**

On the proposal of the Director of the SCIGR and after consulting with the Audit, Risk and Sustainability Committee and the Board of Statutory Auditors, the previous Board in office proposed the appointment of Amelia Celia to the Internal Audit function, as from 1 January 2016.

Amelia Celia has adequate professional experience in accounting, and in the mapping of key corporate processes and the assessment of relevant risks, acquired in major Italian and international listed Groups in various industrial sectors, including manufacturing and consumer goods. Amelia Celia also holds the role of Sustainability Manager of ASTM.

The Internal Audit Manager:

- checks, on a continual basis and as regards specific needs, in compliance with international standards, the operation and suitability of the SCIGR, through an audit plan approved by the Board, based on a structured process that analyses and classifies main risks concerning the operations of the Issuer;
- reports hierarchically to the Board;
- prepares an audit plan that identifies company areas and processes to audit, according to risk assessment results and presents it to the Board for approval;
- may directly access all information useful for his/her duties;
- prepares six-monthly reports containing information on his/her activities, the procedures used to manage risks, in compliance with plans defined to mitigate risks and the suitability of the SCIGR;
- checks the reliability of information systems, including accounting systems, as part of the audit plan.

During the meeting of 27 March 2018, the Board – after consulting with the Audit, Risk and Sustainability Committee, and the Board of Statutory Auditors and Director of the SCIGR – approved the “2018-2020 Audit Plan” and relative audit schedule, with related time scales and commitment in terms of "man/days".

In order to prepare the aforementioned plans and identify the relevant areas/processes, the following was taken into account: the results of *(i)* audit activities performed in previous financial years; *(ii)* the risk assessment prepared by the Issuer's management and periodically updated; *(iii)*

meetings with the management of the Issuer aimed at investigating the most at-risk areas; as well as (iv) assessments carried out pursuant to Law no. 262/2005 and Legislative Decree no. 231/2001.

Based on the relevance of identified risks, priorities and audit activities were defined and planned by identifying the companies, processes and systems, as well as the type of audit actions and related objectives and the time scales of each Plan intervention.

As set out by the Code, the Internal Audit Manager periodically prepares reports on her activities, methods used to manage risks and compliance with plans defined for their mitigation, submitting them to the Chairmen of the Board of Directors, the Board of Statutory Auditors and the Audit and Risk Committee and to the Director of the SCIGR.

#### **11.4 Organisational model pursuant to Legislative Decree no. 231/2001**

The Issuer has adopted an Organisational Model pursuant to Legislative Decree no. 231/2001 (“**Model 231**”) aimed at preventing the possibility of committing the offences referred to in the aforementioned Decree and, therefore, at shielding the Issuer from administrative liability.

Model 231 – aligned with the principles in the “Confindustria Guidelines” approved in March 2002 and last updated in 2014 – was updated on an ongoing basis, as approved by the Board of Directors, both to take into account the many offences that were gradually included in the scope of the predicate crimes under Legislative Decree no. 231/2001 and to implement the necessary adjustments due to organisational changes over the years.

Model 231 was last updated on 2 August 2019, following the introduction into the list of predicate offences (i) of the punishable crime set out by article 346-*bis* of the Italian criminal code (“influence peddling”) by Law no. 3 of 9 January 2019 and (ii) of the crimes set out by articles 1 and 4 of Law no. 401 of 13 December 1989 (“fraud in sporting competitions” and “abuse of games and betting activities”) by Law no. 39 of 3 May 2019.

Model 231 is currently being revised with the intention to update it, including in consideration (i) of the Issuer’s new organisational and corporate structure following the Merger and (ii) of the introduction of some tax offences to the list of predicate crimes by conversion Law no. 157 of 19 December 2019 of Decree Law no. 124 of 26 October 2019.

The Board of Directors appointed a Supervisory Board for three years to which it has allocated the task of monitoring the operation, effectiveness of and compliance with “Model 231”, as well as proposing updates.

The SB, appointed on 16 May 2019, comprises the Independent Director Caterina Bima (Chairwoman), the Acting Auditor Piera Braja and Anna Chiara Svelto.

The SB held 3 meetings during the year and 4 meetings in 2020.

The Board did not consider it necessary to assign the SB's functions to the Board of Statutory Auditors

since, as mentioned above, one of its members is Acting Auditor Piera Braja.

Finally, it should be noted that the main subsidiaries of the Issuer have adopted a Model 231 and appointed a Supervisory Board, which typically includes one member of the Board of Statutory Auditors.

### **11.5 Independent Auditors**

The Ordinary Shareholders' Meeting of ASTM of 28 April 2017, on the proposal of the Board of Statutory Auditors, appointed PricewaterhouseCoopers S.p.A., independent auditors registered in the Register of Statutory Auditors at the Ministry of Economy and Finance, to carry out the statutory auditing of the accounts of the Issuer for the 2017-2025 financial years.

### **11.6 Manager in charge of drawing up the corporate accounting documentation and other corporate roles and functions**

On 16 May 2019, the Board, after the favourable opinion of the Board of Statutory Auditors, appointed – in compliance with the professionalism requirements provided for by applicable regulations and the Articles of Association – as manager in charge of drawing up the corporate accounting documentation Alberto Pernigotti, an executive of ASTM with the requirements of integrity required for the office, who is tasked with preparing the Separate and Consolidated Financial Statements as well as the procedures, group instructions, reporting packages and management of the process that underlies the preparation of financial reports.

Following the appointment of the new governing body, Alberto Pernigotti was appointed Financial Reporting Officer by the Board meeting held on 18 February 2020, for the same period of operation as the current board mandate and, therefore, until the approval of the 2022 annual financial statements.

The Financial Reporting Officer has the power to obtain from the heads of each corporate department any information relevant to carry out his/her duties, as well as the power to: (i) structure and organise – within his/her own activities – the human resources available; (ii) liaise with the board of directors and statutory auditors, and participate *ad audiendum* in the Board's meetings held for the examination and approval of accounting documents; (iii) liaise with the Audit and Risk Committee and the Supervisory Board; and iv) take part in the design of information systems that have an impact on the economic and financial situation.

In particular, the Financial Reporting Officer reports periodically to the Audit and Risk Committee and the Board of Statutory Auditors concerning procedures to carry out the process to assess the SCIGR – only as regards aspects related to the preparation of accounting documents – as well as results of assessments made to support certification issued.

The function that prepares the periodic reporting of the ASTM Group is the Financial Reporting Officer and some staff, who prepare consolidated documents based on reporting packages received from subsidiaries, also providing assistance for compiling these documents.

The Board, moreover, approved financial provisions for the Financial Reporting Officer, that may be increased upon justified request of the individual in question.

During the year, the Financial Reporting Officer monitored the functioning of the control model pursuant to Law 262/2005 ("Model 262"). This model was adopted by the Issuer and its main subsidiaries based on a "cascade" approach, in order to align significant administrative/accounting procedures in relation to duties regulated by article 154-*bis* of the TUF.

Moreover, implementation of this model also entailed the appointment of dedicated managers by all Group companies involved.

With a view to optimising controls, within the financial provisions made available to each Manager, the assessment of the correct implementation of the aforementioned procedures was carried out, as in previous years, with the help of a leading consulting firm, based on the plan drawn up by each company, according to which tests shall be concentrated in the periods dedicated to the preparation of the Financial Statements and the Interim Financial Report. The results of these controls mainly confirmed the correct implementation of the administrative accounting procedures under review.

As part of the procedures concerning the "Control model 262", the Managers of all companies of the Issuer's group forwarded any related "statement" and "certification" concerning annual and interim accounting documents.

The Financial Reporting Officer reports on a half-yearly basis to the Audit and Risk Committee and to the Board on the outcomes of his/her activities and audits.

#### **11.7 Coordination between individuals involved in the internal audit and risk management system**

As described above, the functions and bodies that make up the SCIGR report on activities carried out in order to comply with their institutional tasks and related findings, according to the methods and deadlines set out by relative legal and regulatory provisions, as well as by the Code's recommendations providing for their establishment.

As regards the above, the Issuer analysed the relationships between the functions, with regard to their remit and operations, as well as the related information flows, in order to optimise the related system in a structured and efficient manner, for a timely monitoring and management of risks.

#### **12.0 DIRECTORS' INTERESTS AND RELATED PARTIES' TRANSACTIONS**

Since 1 January 2011 the procedure on related party transactions has been in force. This procedure was approved by the Board on 26 November 2010 (and subsequently amended on 9 November 2012, 6 March 2014 and 23 January 2017 with the favourable opinion of the Audit and Risk

Committee) in compliance with the Consob Related Parties Regulation, having obtained the favourable opinion of a dedicated Committee, which is made up entirely of Independent Directors in office.

The Board of Statutory Auditors ascertained that the procedure is compliant with the aforementioned Regulation and acknowledged that it is adequate in order to ensure substantial and procedural transparency and correctness.

For the purposes of completing the implementation process of the provisions set out by EU Directive 2017/828 (*Shareholder Rights Directive II*), in October 2019 Consob published the proposals for amendments to its regulatory requirements, including, in particular, the Consob Related Parties Regulation. As a result of this, the Issuer will carry out a three-yearly audit of the procedure, to be completed in 2020, also in light of the new regulatory framework of reference revised by Consob.

The procedure, available on the websites of the Issuer in the section "Governance" and of Borsa Italiana, identifies (i) the economic thresholds which, on the basis of the established significance indicators, make it possible to identify the transactions of minor and major significance, (ii) the operations excluded and therefore removed from the procedure required for their approval, with the exception of the Consob reporting obligations if of major significance, and (iii) the operations carried out by the subsidiaries which must be submitted for the prior approval of the Board, after consultation with the Audit and Risk Committee. This category includes:

- a) the acquisition or disposal of real estate whose value is higher than EUR 1 million;
- b) merger transactions, division by acquisition or non-proportional division transactions, if a company (which represents related parties' interests that can be defined as significant, as set out in the procedure) takes part in the transaction;
- c) transactions other than those mentioned above, with an individual value of over EUR 10 million (such as, by way of non-limiting example, acquisitions or disposals of equity investments, companies or business units, or granting of guarantees).

For a correct implementation of the procedure within the Issuer's Group, any relevant information and operational instructions were promptly notified to the subsidiaries.

Moreover, for the correct management of the procedure, the Issuer's related parties are recorded in a specific database created on the basis of the register of equity investments and statements made by said related parties.

As already mentioned above, the Audit and Risk Committee will issue an opinion on related party transactions, if requirements are met. For the orderly functioning of the Committee, an age-based replacement system has been created if some members are already involved in specific transactions.



Any Director who has an interest potential or indirect in corporate transactions shall promptly and fully inform the Board, showing willingness to withdraw from the meeting or refrain from any discussion and related resolution, in case such interest is considered "relevant" by the other Directors. However, the Board has the power to take the most appropriate decisions in case transactions are carried out at normal market conditions on the basis of independent experts' appraisals or if the withdrawal from the meeting of the Directors when the resolution is taken gives reason to believe that the necessary constituent quorum may not be reached.

### 13.0 APPOINTMENT OF AUDITORS

Pursuant to article 26 of the Articles of Association, the Board of Statutory Auditors is made up of three Acting Auditors and three Alternate Auditors.

Pursuant to article 27 of the Articles of Association and in order for an Acting and an Alternate Auditor to be elected from the minority, the Board of Statutory Auditors is appointed on the basis of lists submitted by the Shareholders, in which candidates are listed by name and marked with a progressive number.

The list is made up of two sections: one for candidates for the office of Acting Auditor, the other for candidates for the office of Alternate Auditor. The lists that, considering both sections, have a number of candidates greater than or equal to three must include candidates of different genders in the first two places for both the section for Acting Auditors and for Alternate Auditors, so as to ensure the presence of at least one third of members of the less represented gender (or of any greater quota established by the regulations, where applicable, on the subject of gender parity) in the composition of the Board.

In this respect, it should be noted that the new regulations on gender parity (cf. section 4.1 of this Report) will be applied – also taking into account Communication no. 1/20 of 30 January 2020<sup>1</sup> – during the renewal of the Board of Statutory Auditors by the next Shareholders' Meeting called to approve the annual financial statements as at 31 December 2019.

In particular, as regards the changes introduced by finance act no. 160/2019, Consob, with aforesaid Communication no. 1/20 of 30 January 2020, clarified that – in the wake of an adjustment to the regulations – in the context of the supervisory activity on the regulations in question, it will consider the criterion of rounding up to the next higher unit (set out by paragraph 3, article 144-*undecies*.1 of the Issuers' Regulation) inapplicable to corporate bodies formed of three members due to the arithmetical impossibility. However, with reference to these bodies, Consob will

---

<sup>1</sup> See Communication no. 1/20 of 30 January 2020 regarding "*Clarifications on the amendments to the provisions set out by articles 147-ter and 148 of Legislative Decree no. 58/98 (TUF) on gender parity in the corporate bodies of listed companies made by Law no. 160 of 27 December 2019 ("2020 Finance Act")*".

consider rounding down to the next lower unit, in line with the new regulations.

Only shareholders who alone or together with others hold shares representing the shareholding in the share capital, as set out by law, have the right to submit lists. In this regard, with resolution no. 28 of 30 January 2020 approved by the Head of the Corporate Governance Division, Consob determined the shareholding required to present lists of candidates for the appointment of the Issuer's governing body to be 1% (one per cent) of the share capital. The legal title to the above-mentioned shareholding shall be proved according to the methods and time scales provided by the applicable law.

Each shareholder, as well as Shareholders belonging to the same group and those who have entered into a Shareholders' agreement involving the Issuer's shares may not submit or vote more than one list, neither through a third party or a trust company. Each candidate may be presented on one list only upon penalty of ineligibility for election.

Those candidates who do not comply with the requirements of integrity and professionalism established by law may not be included in the lists. At least one Acting Auditor and one Alternate Auditor are chosen among those enrolled in the Auditors' Register and shall have exercised independent statutory audit activities for not less than three years. Those Auditors who do not comply with the aforementioned requirement are chosen among those who have three years' experience in:

- management and control activities and executive duties for corporations with a share capital no lower than EUR 2 million; or
- professional or tenured university teaching activities in legal, economic, financial and technical-scientific subjects, with regard to the industrial, commercial, banking, transport services, logistics, technology and IT sectors; or
- management posts at public institutions or administrations operating in the credit, financial, insurance, industrial, commercial, transport services, logistics, technology and IT sectors.

The outgoing auditors can be re-elected.

The lists submitted shall be filed at the Issuer's registered office within the terms and according to the methods set out by current regulations, as mentioned in the meeting's notice. The declarations by which candidates accept their candidacy and represent, under their own responsibility, that there are no reasons for their ineligibility and incompatibility, together with any document required by law, must be deposited with each list; they also confirm they comply with legislative and statutory requirements.

The list that does not comply with the aforementioned provisions shall be considered as not submitted.

Election of Statutory Auditors will proceed as follows:

- from the list obtaining the most votes in the Shareholders' Meeting, two acting and two alternate members are taken, based on the sequential order in which they were listed in the sections of the list;
- from the list obtaining the second most votes in the Shareholders' Meeting, the remaining acting member and the remaining alternate member are taken, based on the sequential order in which they were listed in the sections of the list.
- In the event of a tie between two or more lists, the most senior candidates are elected, up to the number of places to be assigned.
- The Chairman of the Board of Statutory Auditors is assigned to the candidate from the list obtaining the second most votes in the Shareholders' Meeting; in the event of a tie between two or more lists, the preceding paragraph applies;
- should application of the above procedure not allow, for Acting Auditors, compliance with the Articles of Association and/or the current legislation on gender parity, the quotient of votes to be attributed to each candidate taken from the Acting Auditor sections of the various lists is calculated, dividing the number of votes obtained from each list by the sequential number of each of said candidates; the candidate of the most represented gender with the lowest quotient of candidates taken from all the lists is replaced by that belonging to the less represented gender, where indicated, with the immediately higher sequential number, in the same section of the Acting Auditors of the list of the replaced candidate or, alternatively, in the section of the Alternate Auditors of the same list of the replaced candidate (which in this case takes over the position of the alternate candidate he/she replaces). In the event that candidates of different lists obtain the same quotient, the candidate from the list from which the largest number of auditors is taken or, alternatively, the candidate taken from the list which obtained the least votes will be replaced. For the appointment of auditors, for any reason, not appointed in the manner provided above, the Shareholders' Meeting decides with the legal majorities and in compliance with the Articles of Association and/or the current legislation regarding gender parity.

If legal and statutory requirements cease to apply, the Auditor forfeits his/her office.

In the event of replacement of an Auditor, the substitute auditor belonging to the same list of the one ceased from office shall be appointed, so as to comply with the provisions of the Articles of Association and/or those applicable from time to time with respect to gender parity, with respect to the composition of the Board of Statutory Auditors. If the above-mentioned replacement does not allow for compliance with gender parity, the Shareholders' Meeting shall be convened as soon as possible so as to comply with the Articles of Association and/or the current regulations.

In case of integration of the Board of Statutory Auditors following termination of office of one of its members for any reason, the Meeting shall resolve according to the simple majority principle and ensure representation on the Board to the minority as set out in the Articles of Association, as well as compliance with the current regulations on gender parity.

#### **14.0 COMPOSITION AND FUNCTIONING OF THE BOARD OF STATUTORY AUDITORS (PURSUANT TO ART. 123-BIS, PARAGRAPH 2(D) OF THE TUF)**

In consideration of the Merger, for completeness of information, information about the functioning of the Board of Statutory Auditors of the Issuer, and of the Board of Statutory Auditors of SIAS, is provided below.

##### *Composition and functioning of the Board of Statutory Auditors of the Issuer*

The Board of Statutory Auditors currently in office was appointed for the financial years 2017-2019 by the Ordinary Shareholders' Meeting of 28 April 2017, until approval of the 2019 Financial Statements.

The minimum shareholding in the share capital required in order to submit lists was set out by Consob by means of Resolution no. 19856 of 25 January 2017 and is equal to 2.5% of the share capital. In the 25 days prior to the Shareholders' Meeting, one list was presented by the Shareholder Argo Finanziaria S.p.A. unipersonale (owning, at this date, an equity investment equal to 56.597% of the share capital) with 4 candidates: Ernesto Ramojno and Piera Braja (as Acting Auditors), Roberto Coda and Annalisa Donesana (as Alternate Auditors). Consequently the Issuer, in compliance with applicable regulations, notified the market of new terms for presenting additional lists, based on the minority threshold established by applicable laws (1.25% of the share capital). As no other lists were filed within this new deadline, the Shareholder Argo Finanziaria S.p.A. unipersonale on 12 April 2017 proposed supplementing its own list of candidates for the Board of Statutory Auditors to be elected, with Marco Fazzini in a capacity as Chairman and Massimo Berni as Alternate Auditor.

For the percentage of votes achieved by the list and the list of the names of the voters, please see the summary report of voting on agenda items of the Shareholders' Meeting of 28 April 2017, available on the Issuer's website ([www.astm.it/en](http://www.astm.it/en)) in the section Governance/Shareholders' meetings.

Following the resignation of Ernesto Ramojno on 24 October 2019, Massimo Berni took over as Acting Auditor. The Shareholders' Meeting of 12 February 2020 appointed Massimo Berni as Acting Auditor, and Gasparino Ferrari as Alternate Auditor.

As regards the composition of the management body, the current composition of the Board of Statutory Auditors, as in the past, has an adequate mix of members in terms of age, tender, education and professional background, and therefore the Issuer did not consider it necessary to

adopt a specific diversity policy for the composition of the board. As already stated in Paragraph 4.3, on 14 March 2018, the Board adopted a policy on "diversity and inclusion" applicable to the Issuer and its subsidiaries.

It should be noted that the minimum shareholding in the share capital required in order to present lists for the Board of Statutory Auditors was recently set out by Consob in Resolution no. 28 of 30 January 2020 and is equal to 1%.

Some short bibliographical notes on the members of the Board of Statutory Auditors are detailed below. Their full *curricula vitae* are published on the Issuer's website ([www.astm.it/en](http://www.astm.it/en)) in the section Governance/Board of Statutory Auditors.

**Professor Marco Fazzini:** born in Florence on 12 October 1974. He obtained a degree in Business Administration from the faculty of Economics at the University of Florence. The member works as a chartered accountant and independent statutory auditor. He is professor of Methodology and Quantitative Standards for Companies at the European University of Rome and of Extraordinary Transactions at the University of Florence. He has also authored many studies and articles. Some of the offices held include: Acting Auditor of Airbus Helicopter Italia S.r.l., Acting Auditor of Firenze Parcheggio S.p.A., Acting Auditor of Helicopters Italia S.r.l. and Acting Auditor of Telecom Italia S.p.A.

**Massimo Berni:** born in Florence on 13 September 1949. He was awarded a degree in Economics and Business from the University of Florence. The member works as a chartered accountant and independent statutory auditor. He is on the roll of court-appointed expert witnesses of the Court of Florence, based on which he has acted as curator, judicial commissioner and judicial liquidator in insolvency proceedings. The member holds the following offices: Chairman of the Board of Statutory Auditors of Moka Arra S.p.A.; Chairman of the Board of Statutory Auditors of Yacht Club Santo Stefano, Acting Auditor of A.F.S. S.p.A., Acting Auditor of FIMM Italia S.p.A., Acting Auditor of Gualfonda S.p.A., Acting Auditor of the Istituto per lo Studio della Prevenzione Oncologica; Acting Auditor of Immobiliare La Serra S.r.l. and Statutory Auditor of Bacci S.r.l., Gruppo Rorandelli S.r.l. and I.D. Immobiliare S.r.l.

**Piera Braja:** born in Turin on 15 June 1964. She was awarded a degree in Economics and Business from Turin University. She is a chartered accounting and statutory auditor, and is also on the role of court-appointed expert witnesses of the Court of Turin. She mainly provides consultancy services on corporate and tax matters to commercial companies, both with respect to ordinary operations and extraordinary or restructuring transactions. The member holds the following offices: Chairwoman of the Board of Statutory Auditors of Praxi S.p.A., Chairwoman of the Board of Statutory Auditors of Sait Finanziaria S.p.A., Chairwoman of the Board of Statutory Auditors of SAIT Abrasivi S.p.A., Chairwoman of the Board of Statutory Auditors of FARID Industrie S.p.A., Chairwoman of the Board of Statutory Auditors of Ca.Nova S.p.A., Chairwoman of the Board of Statutory Auditors of Cerrato S.r.l., Acting Auditor of Consusa Servizi Piemonte – Consepi S.p.A.,

Acting Auditor of Feg Brivio S.p.A., Acting Auditor of Finpat S.p.A., Acting Auditor of Jacobacci & Partners S.p.A., Acting Auditor of Manifattura Tessile di Nole S.p.A., Acting Auditor of OMT – Officine Meccaniche Tortonesi S.p.A., Acting Auditor of SITAF S.p.A., Acting Auditor of SAGAT S.p.A., board member of Centrale del Latte d'Italia S.p.A. and board member of Planco Finanziaria S.r.l.

**Roberto Coda:** born in Turin on 3 September 1959. He holds a Degree in Economics and Business Studies from the University of Turin. The member works as a chartered accountant and independent statutory auditor. He has gained experience in taxation and corporate affairs, specialising in corporate reorganisations, mergers, acquisitions and international tax planning. He is on the board of major industrial and utility companies. He also provides advisory services to companies and family groups on wealth management and succession planning. The member holds the following offices: Board member of Amministrazione di Consorzio Area PD, GI Pharma S.r.l., Logico S.r.l., New Bravo Seven, Centro Congressi Torino Metropoli S.p.A., Fondazione Torino Musei, Graglia Immobiliare S.s.; Acting Auditor and independent statutory auditor of Aurora Uno S.p.A., Arka Technologies S.r.l., Coopcasa Piemonte, Cooperativa Giuseppe di Vittorio, Cooperativa Quadrifoglio 91, Cooperativa San Pancrazio, Consorzio Valli di Lanzo, Foat Architetti, Gm S.r.l., Immobiliare Ropa S.p.A., Itinera S.p.A., Risorse Idriche S.p.A., Segreto Fiduciaria S.p.A., Ste S.p.A., S.I.I. S.p.A.; Acting Auditor of Associazione Primo Levi, Confservizi Piemonte Valle d'Aosta, Fast-Loc S.p.A., Finsoft S.r.l., Invicta S.p.A., Seven S.p.A., Sicogen S.r.l.; Sole Auditor of CIAC S.c.a.r.l.; Chairman of the Board of Statutory Auditors and independent statutory auditor of Chieppa S.p.A., Cts Solutions S.r.l.; Chair of the Board of Statutory Auditors of Prima Electro S.p.A.; Independent Statutory Auditor of Consorzio Riva Sinistra Stura;

**Annalisa Donesana:** born in Treviglio, Bergamo, on 9 June 1966. She was awarded a degree in Economics and Business from Bocconi University, Milan. The member works as a chartered accountant and independent statutory auditor. She works as a chartered accountant and independent statutory auditor and has gained significant expertise in taxation, with a particular focus on international tax law and on listed companies. She works as a consultant in international restructuring transactions for major groups operating in the real estate, plant, food, chemical, fashion-luxury sectors. The member holds the following offices: Acting Auditor of Dea Capital S.p.A., Acting Auditor of Dea Capital Partecipazioni S.p.A., Acting Auditor of A2A Security S.c.p.a., Acting Auditor of SIAS S.p.A., Acting Auditor of Casa di Cura San Pio X S.r.l., Acting Auditor of Banca del Mezzogiorno - Mediocredito Centrale S.p.A., Acting Auditor of Umanitas Centro Catanese di Oncologia S.p.A., Acting Auditor of Edwards Lifesciences Italia S.p.A., Alternate Auditor of A2A Calore & Servizi S.r.l. and Alternate Auditor of A2A Energy Solutions S.r.l.

**Gasparino Ferrari:** he holds a degree in Economics and Business Studies from the University of Pavia and works as a chartered accountant and independent statutory auditor. He holds the office

of Chairman, Auditor and Statutory Auditor within a number of companies. He has also acted as curator, carrying out appraisals on behalf of the Courts of Alessandria and Pavia.

With regard to the above, Table 3A (included in the Appendix) provides a summary of the data concerning the Board of Statutory Auditors.

Of the 22 meetings held by the Board of Statutory Auditors during the year, 21 meetings were attended by all members.

The duration of each meeting varied according to the issues discussed. As regards its institutional tasks and the frequency of its audits, the Board of Statutory Auditors plans to meet on at least a quarterly basis in 2020; 5 meetings have been held since the beginning of the 2020 financial year.

Compliance with the independence requirements for Auditors (stated upon acceptance of the candidature) was positively assessed following the renewal by both the Board of Statutory Auditors and the Board of Directors, as well as during the last annual assessment made on 18 February 2020.

If requirements are met, the Auditors shall promptly provide information on the transactions in which – on own account or on behalf of third parties – they have an interest, as provided for by the Civil Code.

The Board of Statutory Auditors monitored the independence of the company appointed to audit the accounts, assessing the nature and entity of services other than statutory auditing, provided to the Issuer and its subsidiaries, monitoring the adoption of the specific *“Procedure for the approval of services to assign to the independent auditors and its network”* – which the Board of Statutory Auditors, as part of its functions pursuant to Legislative Decree 39/2010, approved – which, in accordance with applicable legislation, sets out the limits and conditions for services provided by the independent auditors other than statutory auditing. The results of these checks were disclosed by the Board of Statutory Auditors in the annual report to the Shareholders’ Meeting, pursuant to article 153 of the TUF.

As part of their duties, the Auditors have acquired information also through meetings with the Independent Auditors’ representatives, the Boards of Statutory Auditors of Subsidiaries, the Supervisory Board (of which Acting Auditor Piera Braja is a member) and by taking part in the meetings of the Audit, Risk and Sustainability Committee and the Appointments and Remuneration Committee (also in its capacity as Related Parties Committee).

The members of the Board of Statutory Auditors also took part in Board meetings and the Shareholders' Meetings held on 16 May 2019, 16 October 2019 and 12 February 2020.

#### *Composition and functioning of the Board of Statutory Auditors of SIAS*

For more information about the composition and functioning of the Board of Statutory Auditors of

SIAS, please refer to the Corporate Governance Report for 2018, available at <https://www.grupposias.it/wp-content/uploads/2019/06/SIAS-Governance-report-2018.pdf>.

With regard to the above, Table 3B (included in the Appendix) provides a summary of the data concerning the Board of Statutory Auditors.

## **15.0 SHAREHOLDERS' RELATIONS**

In order to make access to information quicker and easier, the Issuer pays particular attention to the creation and updating of its website, with specific reference to “financial information” and “corporate governance”.

Moreover, the website contains a descriptive profile of the Issuer's Group and its investee companies, as well as the annual Financial Statements and interim statements of the Issuer, the Articles of Association, the Regulations for Shareholders' Meetings, press releases and reports on the issues discussed at the Shareholders' Meetings, including notice of call and related minutes.

Upon the appointment of Corporate Bodies, the lists of candidates, together with personal and professional details, are made available on the website.

In any case, the Chairman and the Chief Executive Officer in compliance with the procedure concerning the disclosure of documents and information on the Issuer have taken any necessary action so as to create and promote dialogue with the Shareholders and Institutional Investors, based on the understanding of reciprocal roles and functions.

To make sure that these relationships are professionally handled and managed, the Investor Relations Officer carries out intense and constant information activities with regard to the results, as well as the growth and development prospects of the Issuer and the group, through personal and institutional meetings with investors and analysts, both in Italy and abroad.

The Investor Relations Officer, Giuseppe Agogliati may be contacted at [investor.relations@astm.it](mailto:investor.relations@astm.it).

With regard to their roles, the Chairman, the Chief Executive Officer and Investor Relations Officer were assisted by the Board's Secretarial Department and the Compliance and Corporate Function, especially as regards notices to relevant Authorities and Shareholders.

## **16.0 SHAREHOLDERS' MEETINGS (PURSUANT TO ART. 123-BIS, PARAGRAPH 2(C) OF THE TUF)**

The Shareholders' Meeting is the occasion when members may take an active part in the operations of the company, expressing their opinions according to the procedures and on the topics which, according to law and the Articles of Association, are in their remit. The Shareholders' Meeting meets on an ordinary and extraordinary basis.

The Shareholders' Meeting is convened by a notice published, within the terms established by applicable laws, on the Issuer's website, and according to other procedures established by Consob,



including the publication of an excerpt in *Il Sole 24 Ore* and notification via the centralised storage platform authorised by Consob.

The Board notifies items on the agenda of the shareholders' meeting to the public, according to the same procedures.

Procedures for Shareholders' to exercise their rights are governed by law and the Articles of Association.

In view of the Articles of Association and applicable laws and regulations, entities who have sent the Issuer notice, through the enabled broker, of their right to take part in and vote at the Shareholders' Meeting, based on evidence at the end of the accounting day of the seventh open trading day prior to the date scheduled for the Meeting, may take part in and vote at the meeting.

Those who are entitled to vote can be represented at the Meeting by written proxy or proxy sent electronically, in compliance with applicable regulations. The Chairman shall ascertain the validity of proxies.

The electronic notification of the proxy must be made by using the dedicated section of the Issuer's website or the dedicated email address, according to the methods described in the notice of call.

For each Shareholders' Meeting, the Issuer can appoint – by specifying it in the notice of call – a person to whom the Shareholders can give a proxy with voting instructions on one or all issues on the agenda, according to the methods and terms set out by law and regulations. The proxy is valid only with regard to those issues for which voting instructions have been given.

The Meeting is chaired by the Chairman of the Board of Directors. In case of absence or impediment, the meeting is chaired by the Vice Chairman or, if both are absent, by another person appointed by the Meeting.

The Chairman appoints the Secretary with the approval of the Meeting and, if necessary, two scrutineers, by choosing them among the Shareholders with voting right or their representatives. In the cases provided for by law, or if deemed appropriate by the Chair of the Meeting, the minutes are prepared by a Notary Public appointed by the Chairman. In this case, it is not necessary to appoint a Secretary.

The (ordinary and extraordinary) Shareholders' Meeting is duly convened and takes resolutions according to the majorities set out by current regulations.

To date, the Issuer has not provided for the possibility of taking part in the Meetings by means of audio-visual connection systems, electronic vote or voting by correspondence.

#### *Regulations for Shareholders' Meeting*

To promote orderly, functional proceedings, shareholders' meetings are governed by specific

regulations, the contents of which are in line with the format produced by ABI and Assonime. More specifically, the aforementioned Regulations govern the operating methods for the Meeting's activities and the exercise of participants' rights. More specifically:

- the Chair opens the discussion and calls those members who requested to speak according to a priority order; if necessary, the Chair may decide that speeches shall be booked in writing, with indication of the subject;
- each party entitled to take part in the Shareholders' Meeting may take the floor concerning issues on the agenda to be discussed and make observations and proposals;
- taking into account the subject and relevance of each single issue as well as the questions received before the Meeting and the number of persons who want to speak the Chair may predetermine the duration of speeches and answers by notifying the participants, so as to make sure that works are completed within one single meeting.

For further information on the rules governing the Issuer's meetings, reference should be made to the Regulations published on the Issuer's website in the Governance section.

#### Information for Shareholders

At the meetings, the Board provides the Shareholders with information on the Issuer, in compliance with the regulations on insider trading information.

During the meetings, the Chairman and the Chief Executive Officer aim to provide the Shareholders with the information necessary or useful to pass resolutions.

More specifically – on the basis of the documents, concerning the points on the agenda, that are given to all participants – the main features of any transaction and resolution that shall be examined and approved by the Shareholders are explained. Maximum openness is ensured to talk and discuss the requests for clarifications submitted by the participants.

7 Directors took part in the Annual General Meeting held on 16 May 2019, while 9 Directors took part in the Extraordinary Shareholders' Meeting on 16 October 2019. As regards the current year, 6 Directors took part in the Shareholders' Meeting on 12 February 2020.

\*\*\*

It should be noted that the Shareholders' Meeting called to approve the financial statements for the year ended as at 31 December 2019 (in addition to any other meetings called before 31 July 2020 or before the date, if later, until which the state of emergency related to the health risk of the COVID-19 epidemic in Italy remains in force) will take place using the methods indicated in the related notice of call in accordance with article 106 of Decree Law no. 18 of 17 March 2020.

#### Changes in capitalisation and shareholding structure

The Directors believe that the provisions contained in the Articles of Association concerning percentages for the exercise of the actions and rights for the safeguard of minorities are in line with the current market capitalisation of the ASTM security.

#### 17.0 ADDITIONAL CORPORATE GOVERNANCE PRACTICES (PURSUANT TO ART. 123-BIS, PARAGRAPH 2(A) OF THE TUF)

No further corporate governance policies are reported other than those detailed in previous paragraphs and currently applied by the Issuer, except for the obligations set out by legal and regulatory provisions.

#### 18.0 CHANGES SINCE THE END OF THE FINANCIAL YEAR

There were no changes to the Issuer's governance structure following the end of the financial year other than those described above following the completion of the company merger.

#### 19.0 CONSIDERATIONS ON THE LETTER OF 19 DECEMBER 2019 OF THE CHAIRMAN OF THE CORPORATE GOVERNANCE COMMITTEE

On 19 December 2019, the Chairman of the Board of Directors, the Chief Executive Officer and Chairman of the Board of Statutory Auditors of the Issuer were sent the letter of the Chairman of the Corporate Governance Committee, along with the *"2019 Report on developments in corporate governance of listed companies"*.

As regards areas for improvement indicated in the letter, the Board of Directors made the following considerations:

- **sustainability**: though not part of the FTSE MIB index, on 18 February 2020 the Issuer established the Sustainability Committee, tasked with supporting the Board in the definition of corporate strategies with a view to improving stakeholder protection. The sustainability functions had previously been assigned to the Audit and Risk Committee since August 2017, with the committee known as the Audit, Risk and Sustainability Committee during that period. The Chairman, Chief Executive Officer and all the Directors consider sustainability topics to be central for the Issuer's business, pervasive in the practices followed and fundamental for undertaking its strategy for development and long-term value creation.
- **pre-board meeting disclosure**: also based on the self-assessment process conducted in December 2019, the deadline of two business days in advance of the date of the board meeting for sending documents was considered adequate in the year, and basically met. 89%

of Directors expressed a high level of satisfaction regarding the adequacy and timeliness of the information provided. In July 2019 – taking into account some indications made during the 2018 self-assessment process – the digitalisation of the Board and board committee activities was completed, in order to improve comprehension and the use of information.

- **adoption of independence criteria:** the process to check independence requirements is adopted, on an annual basis, obtaining information from each director, by sending a questionnaire and was considered suitable for identifying any critical situations. To date, no Independent Director has held the office for a period longer than nine years; please refer to section 4.6 for further information about checking independence requirements.
- **remuneration of non-executive directors and members of control bodies:** the remuneration paid to the non-executive directors and the members of control bodies is considered consistent with and adequate for the commitment required by the office and the high level of professionalism.

## TABLES

**TABLE 1: INFORMATION ON OWNERSHIP STRUCTURE AT 14 APRIL 2020**

SHARE CAPITAL STRUCTURE				
	No. of shares	% of share capital	Listed	Rights and obligations
Ordinary shares	140,514,895 <sup>(1)</sup>	100	MTA (FTSE Italia Mid Cap Index)	
Shares with more than one	=	=	=	=
Shares with limited voting	=	=	=	=
Shares without voting right	=	=	=	=
Other	=	=	=	=

<sup>(1)</sup> Pursuant to articles 2357-ter and 2359-bis of the Civil Code, voting rights are suspended as regards 8,488,544 treasury shares held directly by the Issuer, 21,500 shares held by the subsidiary ATIVA S.p.A. and 2,149,408 held by the subsidiary SINA S.p.A. – Società Iniziative Nazionali Autostradali.

SIGNIFICANT EQUITY INVESTMENTS IN THE SHARE CAPITAL			
Declarant	Direct shareholder	% share of ordinary share capital	% share of voting share capital
<b>Aurelia S.r.l.</b>	Aurelia S.r.l.	6.343	6.343
	Nuova Argo Finanziaria S.p.A.	41.235	41.235
	Nuova Codelfa S.p.A.	1.386	1.386
	<b>Total Group</b>	<b>48.964</b>	<b>48.964</b>
<b>ASTM S.p.A.</b>	ASTM S.p.A.	5.547	5.547
		voting rights suspended pursuant to art. 2357-ter of Civil Code	voting rights suspended pursuant to art. 2357-ter of Civil Code
	ATIVA S.p.A.	0.015	0.015
		voting rights suspended pursuant to art. 2359-bis of Civil Code	voting rights suspended pursuant to art. 2359-bis of Civil Code
	SINA S.p.A.	1.530	1.530
	<b>Total treasury shares</b>	<b>7.092</b>	<b>7.092</b>
<b>Lazard Asset Management LLC</b>	Lazard Asset Management LLC	5.49	5.49
	<b>Total Lazard Asset Management LLC</b>	<b>5.49</b>	<b>5.49</b>

**TABLE 2A: STRUCTURE OF THE BOARD OF DIRECTORS AND COMMITTEES UP TO 16 MAY 2019**

Position	Members	Board of Directors											Audit, Risk and Sustainability Committee		Appointments and Remuneration Committee	
		Year of birth	Date of first appointment *	In office since	In office until	List **	Executive	Non-executive	Independent pursuant to the Code	Independent pursuant to the TUF	No. of other offices ***	(*)	(*)	(**)	(*)	(**)
01) Chairman	G. M. GROS-PIETRO	1942	20/04/2012	28/04/2016	16/05/2019	M		x			2	10/10				
02) Vice Chairman	D. GAVIO	1958	24/03/1994	28/04/2016	16/05/2019	M	x				=	10/10				
03) Vice Chairman	M. GAVIO	1967	28/04/2010	28/04/2016	16/05/2019	M	x				1.5	10/10				
04) Vice Chairman	R. TESTORE	1952	14/11/2018	14/11/2018	16/05/2019	C		x	x	x	3	0/0	1/1	M		
05) CEO <sup>o</sup>	A. RUBEGNI	1951	10/06/2013	28/04/2016	16/05/2019	M	x				3	10/10				
06) Director	J. ANGOITIA GRIJALBA	1970	27/09/2018	27/09/2018	16/05/2019	C		x			1	1/1				
07) Director	C. BIMA	1960	10/06/2013	28/04/2016	16/05/2019	M		x	x	x	=	9/10				
08) Director	A. CAPORELLO		14/11/2018	14/11/2018	16/05/2019	C		x	x	x	3	0/0			1/1	C'
09) Director	G. GAROFANO	1944	10/05/2007	28/04/2016	16/05/2019	M		x	x	x	2.5	10/10	9/9	C		
10) Director	G. GATTO	1941	28/04/2016	28/04/2016	16/05/2019	M		x	x	x	0	10/10	9/9	M		
11) Director	B. GAVIO	1965	28/04/2016	28/04/2016	16/05/2019	M	x				1	10/10				
12) Director	B. POGGIALI	1963	10/06/2013	28/04/2016	16/05/2019	M		x	x	x	4	10/10			7/7	M
13) Director	L. ROTH	1940	28/04/2010	28/04/2016	16/05/2019	M		x	x	x	4	9/10	6/9	M		
14) Director	A.C. SVELTO	1968	28/04/2016	28/04/2016	16/05/2019	M		x	x	x	1	10/10			7/7	M
15) Director	M. WEIGMANN	1940	10/06/2013	28/04/2016	16/05/2019	M		x	x	x	5	7/10				
<b>Number of meetings held during FY 2018</b>						Board of Directors: 10				Audit, Risk and Sustainability Committee: 9			Remuneration Committee: 7			
<b>Quorum required in order for minorities to submit lists for the appointment of one or several members (pursuant to Article 147-ter TUF): 1.00%</b>																

**NOTES**

- <sup>(1)</sup> Based on the data recorded in January 2019, with reference to the "Report on corporate governance and ownership structure" for the FY 2018, to which we refer you for a comprehensive list of the aforementioned offices.
- <sup>(2)</sup> Until 14 November, the position of Chairman of the Remuneration Committee was held by Luigi Roth, who attended all 6 meetings.
- This symbol indicates the "Director responsible for the internal audit and risk management system".
- ◊ This symbol indicates the main supervisor for the Issuer's management (Chief Executive Officer or CEO).
- \* The date of first appointment of each Director means the date on which the Director was appointed for the first time (in absolute terms) to the Board of Directors of the Issuer.
- \*\* This column indicates the list from which each Director was drawn ("M": majority list; "m": minority list; "C": co-option);
- \*\*\* This column shows the number of offices held as Director or Auditor in other companies listed on regulated markets (including foreign markets), in financial, banking, insurance or large enterprises. The list in the Annex shows (based on the data as at January 2019, with reference to the parameters and calculation criteria provided for by the "procedure for the maximum number of offices held" adopted by the Issuer) the aforementioned companies, specifying whether they are part of the group to which the Issuer belongs,
- (\*) This column shows the percentage of directors' attendance to the meetings of the Board of Directors and the Committees, respectively (no. of attendances/no. of meetings held during the term of office by the interested party).
- (\*\*) This column shows the Director's office in the Committee: "C": Chairperson; "M": Member.

Offices as director or auditor held by some Directors in other companies listed on regulated markets (including foreign markets), in financial, banking, insurance or large enterprises

Member	Company	Office held
J. Angoitia Grijalba	Ascendi SA	Director
C. Bima	Unicredit Leasing S.p.A. Fondazione Cassa di Risparmio di Torino	Director Director
A. Caporello	Italiaonline S.p.A. Sergio Rossi S.p.A. Credito Fondiario S.p.A.	Director Director Director
G. Garofano	Miroglio S.p.A. Miroglio Textile S.p.A. Quercus Asset Selection Sarl	Director Director Vice Chairman
B. Gavio	Aurelia S.r.l. <sup>(2)</sup> Ecorodovias Infrastruttura e Logística	Chairman of the BoD Director
D. Gavio	Aurelia S.r.l. <sup>(2)</sup>	Director
M. Gavio	Aurelia S.r.l. <sup>(2)</sup> Ecorodovias Infrastruttura e Logística Autosped G. S.p.A.	Vice Chairman of the BoD Alternate Director Chairman
GM. Gros-Pietro	Intesa Sanpaolo S.p.A. Edison S.p.A.	Chairman of the BoD Director
B. Poggiali	Banca Farmafactoring Falck Renewables S.p.A. Elica S.p.A. Fabrik S.p.A. (Sella Group)	Director Director Director Director
L. Roth	Sec S.p.A. Alba Leasing S.p.A. Equita Sim S.p.A. Alkimis Sgr S.p.A.	Chairman of the BoD Chairman of the BoD Chairman of the BoD Director
A. Rubegni	Tangenziale Esterna S.p.A. Ecorodovias Infrastruttura e Logística Primav Infrastruttura S.A.	Director Director Director
A. C. Svelto	Enel Techedge S.p.A.	Director
R. Testore	Endurance Technologies Limited AC Boiler S.p.A. Bonfiglioli Riduttori S.p.A.	Director Chief Executive Officer Director
M. Weigmann	Società Reale Mutua di Assicurazioni S.p.A. Italiana Assicurazioni S.p.A. (Reale Mutua Ass. Group) Reale Immobili S.p.A. (Reale Mutua Ass. Group) Banca Reale S.p.A. (Reale Mutua Ass. Group) Reale Seguros Generales S.A. (Reale Mutua Ass. Group) Inmobiliaria Grupo Asegurador Reale S.A. (Reale Mutua Ass. Group) Reale Vida Y Pensiones Sociedad Anonima de Seguros (Reale Mutua Ass. Group) Auchan S.p.A.	Director Director Director Director Vice Chairman Vice Chairman Vice Chairman Director

<sup>(1)</sup> subsidiary of the Issuer

<sup>(2)</sup> Parent Company of the Issuer



**TABLE 2B: STRUCTURE OF THE BOARD OF DIRECTORS AND COMMITTEES OF ASTM AS AT 31 DECEMBER 2019 AND UNTIL 12 FEBRUARY 2020**

		Board of Directors											Audit, Risk and Sustainability Committee		Appointments and Remuneration Committee	
Position	Members	Year of birth	Date of first appointment *	In office since	In office until	List **	Executive	Non-executive	Independent pursuant to the Code	Independent pursuant to the TUF	No. of other offices ***	(*)	(*)	(**)	(*)	(**)
16) Chairman	G. M. GROS.PIETRO	1942	20/04/2012	16/05/2019	12/02/2020	M		X		X	2 <sup>(1)</sup>	15/15				
17) Vice Chairwoman	D. GAVIO	1958	24/03/1994	16/05/2019	12/02/2020	M	X				= <sup>(1)</sup>	15/15				
18) Vice Chairman	M. GAVIO	1967	28/04/2010	16/05/2019	12/02/2020	M	X				1.5 <sup>(1)</sup>	15/15				
19) Vice Chairman	R. TESTORE	1952	14/11/2018	16/05/2019	12/02/2020	M		X	X	X	3 <sup>(1)</sup>	14/15	19/19	M		
20) CEO ♦•	A. RUBEGNI	1951	10/06/2013	16/05/2019	12/02/2020	M	X				3	14/15				
21) Director	J. ANGOITIA	1970	27/09/2018	16/05/2019	12/02/2020	M		X			1 <sup>(1)</sup>	11/15				
22) Director	C. BIMA	1960	10/03/2013	16/05/2019	12/02/2020	M		X	X	X	=	15/15				
23) Director	A. CAPORELLO	1972	14/11/2018	16/05/2019	21/01/2020	M		X	X	X	3 <sup>(1)</sup>	13/15			10/10	C
24) Director	G. GALLAZZI	1964	16/05/2019	16/05/2019	12/02/2020	m		X	X	X	1	9/9				
25) Director	G. GATTO	1944	28/04/2016	16/05/2019	12/02/2020	M		X	X	X	=	15/15	18/19	C <sup>(2)</sup>		
26) Director	B. GAVIO	1965	28/04/2016	16/05/2019	12/02/2020	M	X				1 <sup>(1)</sup>	13/15				
27) Director	V. IACCOZZILLI	1957	16/05/2019	16/05/2019	12/02/2020	m		X	X	X	=	9/9				
28) Director	F. MASCARDI	1962	16/05/2019	16/05/2019	12/02/2020	m		X	X	X	2	9/9			6/6	M <sup>(3)</sup>
29) Director	B. POGGIALI	1963	10/06/2013	16/05/2019	12/02/2020	M		X	X	X	3	13/15			10/10	M
30) Director	L. ROTH	1940	28/04/2010	16/05/2019	12/02/2020	M		X	X	X	4 <sup>(1)</sup>	13/15	12/12	M		
<b>DIRECTOR STEPPING DOWN FROM OFFICE DURING THE FINANCIAL YEAR UNDER REVIEW</b>																
Director	G. GAROFANO	1944	10/05/2007	28/04/2016	16/05/2019	M		X	X	X	2.5	3/6	7/7	P		
Director	A. C. SVELTO	1968	28/04/2016	28/04/2016	16/05/2019	M		X	X	X	1	5/6			4/4	M
Director	WEIGMANN	1940	10/06/2013	28/04/2016	16/05/2019	M		X	X	X	5	4/6				
<b>Number of meetings held during FY 2019</b>						Board of Directors: 15				Audit, Risk and Sustainability Committee: 19			Remuneration Committee: 10			
Quorum required in order for minorities to submit lists for the appointment of one or several members (pursuant to Article 147-ter TUF): 1.00%																

**NOTES**

- <sup>(1)</sup> Based on the data recorded in January 2019, with reference to the “Report on corporate governance and ownership structure” for the FY 2018, to which we refer you for a comprehensive list of the aforementioned offices.
- <sup>(2)</sup> Until 16/05/2019, the position of Chairman of the Audit, Risk and Sustainability Committee was held by Giuseppe Garofano, who attended all 7 meetings.
- <sup>(3)</sup> Until 16/05/2019, the position of Member of the Appointments and Remuneration Committee was held by Anna Chiara Svelto, who attended all 4 meetings.
- This symbol indicates the “Director responsible for the internal audit and risk management system”.
- ♦ This symbol indicates the main supervisor for the Issuer’s management (Chief Executive Officer or CEO).

- \* The date of first appointment of each Director means the date on which the Director was appointed for the first time (in absolute terms) to the Board of Directors of the Issuer.
- \*\* This column indicates the list from which each Director was drawn ("M": majority list; "m": minority list; "C": co-option);
- \*\*\* This column shows the number of offices held as Director or Auditor in other companies listed on regulated markets (including foreign markets), in financial, banking, insurance or large enterprises. The list in the Annex shows (based on the data as at January 2018, with reference to the parameters and calculation criteria provided for by the "procedure for the maximum number of offices held" adopted by the Issuer) the aforementioned companies, specifying whether they are part of the group to which the Issuer belongs,
- (\* ) This column shows the percentage of directors' attendance to the meetings of the Board of Directors and the Committees, respectively (no. of attendances/no. of meetings held during the term of office by the interested party).
- (\*\*) This column shows the Director's office in the Committee: "C": Chairperson; "M": Member.

Offices as director or auditor held by some Directors as at 31 December 2019 in other companies listed on regulated markets (including foreign markets), in financial, banking, insurance or large enterprises

Member	Company	Office held
J. Angoitia Grijalba	Ascendi SA	Director
C. Bima	-	-
A. Caporello	Italiaonline S.p.A. Sergio Rossi S.p.A. Credito Fondiario S.p.A.	Director Director Director
G. Gallazzi	Mediaset S.p.A.	Director
G. Gatto	-	-
B. Gavio	Aurelia S.r.l. <sup>(3)</sup> Ecorodovias Infraestructura e Logística	Chairman of the BoD Director
D. Gavio	Aurelia S.r.l. <sup>(3)</sup>	Director
M. Gavio	Aurelia S.r.l. <sup>(3)</sup> Autosped G. S.p.A.	Vice Chairman of the BoD Chairman
G. M. Gros-Pietro	Intesa Sanpaolo S.p.A. Edison S.p.A.	Chairman of the BoD Director
V. Iacozzilli	-	-
F. Mascardi	Ansaldo Energia S.p.A. ENAV S.p.A.	Director Director
B. Poggiali	Banca Farmafactoring Falck Renewables S.p.A. Elica S.p.A.	Director Director Director
L. Roth	Sec S.p.A. Alba Leasing S.p.A. Equita Sim S.p.A. Alkimis Sgr S.p.A.	Chairman of the BoD Chairman of the BoD Chairman of the BoD Director
A. Rubegni	Tangenziale Esterna S.p.A. Ecorodovias Infraestructura e Logística Primav Infraestructura S.A.	Director Director Director
R. Testore	Endurance Technologies Limited AC Boiler S.p.A. Bonfiglioli Riduttori S.p.A.	Director Chief Executive Officer Director

<sup>(3)</sup> Parent Company of the Issuer

**TABLE 2C: STRUCTURE OF THE BOARD OF DIRECTORS AND COMMITTEES OF ASTM TO DATE**

Position	Members	Board of Directors											Audit and Risk Committee		Appointments and Remuneration Committee		Sustainability Committee	
		Year of birth	Date of first appointment *	In office since	In office until	List **	Executive	Non-executive	Independent pursuant to the Code	Independent pursuant to the TUF	No. of other offices ***	(*)	(*)	(**)	(*)	(**)	(*)	(**)
01) Chairman	A. RUBEGNI	1951	10/06/2013	12/02/2020	Approval of 2022 Financial Statements	M	X				3	4/4						
02) CEO ◊	U. TOSONI	1975	23/10/2017	12/02/2020	Approval of 2022 Financial Statements	M	X				1.5	4/4						
03) Vice Chairman	F. MOSCETTI	1951	12/02/2020	12/02/2020	Approval of 2022 Financial Statements	M		X	X	X	5	4/4			1/1	C <sup>(2)</sup>		
04) Director	C. BIMA	1960	10/06/2013	12/02/2020	Approval of 2022 Financial Statements	M		X	X	X	=	3/4						
05) Director	G. GALLAZZI	1964	16/05/2019	12/02/2020	Approval of 2022 Financial Statements	m		X	X	X	1	4/4	3/3	M	1/1	M		
06) Director	G. GATTO	1941	28/04/2016	12/02/2020	Approval of 2022 Financial Statements	M		X	X	X	=	4/4	3/3	M				
07) Director	P. GIANGUALANO	1959	12/02/2020	12/02/2020	Approval of 2022 Financial Statements	M		X	X	X	3	4/4						
08) Director	V. IACCOZZILLI	1957	16/05/2019	12/02/2020	Approval of 2022 Financial Statements	m		X	X	X	=	4/4						
09) Director	F. MASCARDI	1962	16/05/2019	12/02/2020	Approval of 2022 Financial Statements	m		X	X	X	2	3/4					3/3	C
10) Director	R. MAZZA	1983	12/02/2020	12/02/2020	Approval of 2022 Financial Statements	M		X			2	4/4						
11) Director	V. MELE	1973	12/02/2020	12/02/2020	Approval of 2022 Financial Statements	M		X	X	X	=	4/4					3/3	M
12) Director	A.G.F. PELLEGRINI	1964	12/02/2020	12/02/2020	Approval of 2022 Financial Statements	M		X	X	X	3	3/4	3/3	C				
13) Director	B. POGGIALI	1963	28/04/2016	12/02/2020	Approval of 2022 Financial Statements	M		X	X	X	3	4/4					3/3	M
14) Director	G. QUAGLIA	1947	12/02/2020	12/02/2020	Approval of 2022 Financial Statements	M		X			=	4/4						
15) Director	M. VESCIA	1973	12/02/2020	12/02/2020	Approval of 2022 Financial Statements	M		X	X	X	=	4/4			1/1	M		
<b>DIRECTOR STEPPING DOWN FROM OFFICE DURING THE FINANCIAL YEAR UNDER REVIEW</b>																		
Director	A. CAPORELLO <sup>(1)</sup>	1972	14/11/2019	14/11/2019	21/01/2020	M		X	X	X	3	1/1						
<b>Number of meetings held between 12 February 2020 and the date of the Report</b>						Board of Directors: 4			Audit and Risk Committee: 3			Appointments and Remuneration Committee: 1			Sustainability Committee: 3			
Quorum required in order for minorities to submit lists for the appointment of one or several members (pursuant to Article 147-ter TUF): 1.00%																		

**NOTES**

<sup>(1)</sup> Based on the data recorded in January 2020, with reference to the Report

<sup>(2)</sup> Until 21 January 2020, the position of Chairwoman of the Remuneration Committee was held by Arabella Caporello, who attended the one and only meeting.

- This symbol indicates the "Director responsible for the internal audit and risk management system".
- ◊ This symbol indicates the main supervisor for the Issuer's management (Chief Executive Officer or CEO).

- \* The date of first appointment of each Director means the date on which the Director was appointed for the first time (in absolute terms) to the Board of Directors of the Issuer.
- \*\* This column indicates the list from which each Director was drawn ("M": majority list; "m": minority list; "C": co-option);
- \*\*\* This column shows the number of offices held as Director or Auditor in other companies listed on regulated markets (including foreign markets), in financial, banking, insurance or large enterprises. The list in the Annex shows (based on the data as at January 2020, with reference to the parameters and calculation criteria provided for by the "procedure for the maximum number of offices held" adopted by the Issuer) the aforementioned companies, specifying whether they are part of the group to which the Issuer belongs,
- (\* ) This column shows the percentage of directors' attendance to the meetings of the Board of Directors and the Committees, respectively (no. of attendances/no. of meetings held during the term of office by the interested party).
- (\*\*) This column shows the Director's office in the Committee: "C": Chairperson; "M": Member.

Offices as director or auditor held by some Directors in other companies listed on regulated markets (including foreign markets), in financial, banking, insurance or large enterprises

Member	Company	Office held
C. BIMA	-	-
G. GALLAZZI	Mediaset S.p.A.	Director
G. GATTO	-	-
G. GIANGUALANO	Arnoldo Mondadori Editore S.p.A. EPTA S.p.A. SEA Aeroporti S.p.A.	Director Director Director
V. IACCOZZILLI	-	-
F. MASCARDI	Ansaldo Energia S.p.A. ENAV S.p.A.	Director Director
R. MAZZA	2i Rete Gas S.p.A. SEA Aeroporti S.p.A.	Director Director
V. MELE	-	-
F. MOSCETTI	Diasorin S.p.A. Fideuram Investimenti SGR S.p.A. OVS S.p.A. Pellegrini S.p.A. Zignago Vetro S.p.A.	Director Vice Chairman Chairman Director Director
A.G.F. PELLEGRINI	Maire Tecnimont S.p.A. Dea Capital A.F. SGR S.p.A. SIA S.p.A.	Director Director Director
B. POGGIALI	Banca Farmafactoring Falck Renewables S.p.A. Elica S.p.A.	Director Director Director
G. QUAGLIA	-	-
A. RUBEGNI	Tangenziale Esterna S.p.A. Ecorodovias Infrastruttura e Logística S.A.	Director Director
U. TOSONI	Ecorodovias Infrastruttura e Logística S.A. Tangenziale Esterna S.p.A.	Alternate Director Director
M. VESCIA	-	-

**TABLE 2D: STRUCTURE OF THE BOARD OF DIRECTORS AND COMMITTEES OF SIAS AS AT 31 DECEMBER 2019**

Position	Members	Board of Directors											Audit, Risk and Sustainability Committee		Appointments and Remuneration Committee	
		Year of birth	Date of first appointment *	In office since	In office until <sup>(2)</sup>	List **	Executive	Non-executive	Independent pursuant to the Code	Independent pursuant to the TUF	No. of other offices <sup>(1)</sup> ***	(*)	(*)	(**)	(*)	(**)
01) Chairman *	P. PIERANTONI	1956	08/02/2002	27/04/2017	Approval of 2019 Financial Statements	M	X				2.5	14/14				
02) Vice Chairman	S. BARIATTI	1956	01/08/2013	27/04/2017	Approval of 2019 Financial Statements	M		X			1	12/14				
03) Vice Chairman	F. MOSCETTI	1951	14/11/2018	14/11/2018	Approval of 2019 Financial Statements	M		X	X	X	3	12/14	18/18	M	5/5	C
04) CEO °	U. TOSONI	1975	14/11/2018	14/11/2018	Approval of 2019 Financial Statements	M	X				1.5	12/14				
05) Director	S. CASELLI	1969	27/04/2011	27/04/2011	Approval of 2019 Financial Statements	M		X	X	X	4	12/14				
06) Director	S. DE LUCA	1950	27/04/2017	27/04/2017	Approval of 2019 Financial Statements	m		X	X	X	=	14/14	18/18	M		
07) Director	G. GAROFANO	1944	15/05/2019	15/05/2019	Approval of 2019 Financial Statements	M		X			2.5	8/8				
08) Director	S. E. C. KUNST	1966	27/04/2017	27/04/2017	Approval of 2019 Financial Statements	m		X	X	X	1	14/14			5/5	M
09) Director	R. MAZZA	1983	27/09/2018	27/09/2018	Approval of 2019 Financial Statements	M		X			1	13/14				
10) Director	V. MELE	1973	15/05/2019	15/05/2019	Approval of 2019 Financial Statements	M		X	X	X	=	8/8				
11) Director	F. V. OUSELEY	1964	14/11/2018	14/11/2018	Approval of 2019 Financial Statements	M		X	X	X	=	13/14				
12) Director	A. G. F. PELLEGRINI	1964	19/04/2014	27/04/2017	Approval of 2019 Financial Statements	M		X	X	X	3	13/14	18/18	C		
13) Director	A. SEGNI	1965	19/04/2014	27/04/2017	Approval of 2019 Financial Statements	M		X	X	X	2	14/14			5/5	M
14) Director	P. SIMIONI	1960	27/04/2017	27/04/2017	Approval of 2019 Financial Statements	m		X	X	X	2	10/14				
15) Director	M. VESCIA	1973	14/11/2018	14/11/2018	Approval of 2019 Financial Statements	M		X	X	X	=	12/14				
<b>DIRECTOR STEPPING DOWN FROM OFFICE DURING THE FINANCIAL YEAR UNDER REVIEW</b>																
Director	M. GALLI	1964	19/06/2018	19/06/2018	15/05/2019	C		X			=	5/6				
Director	QUAGLIA	1947	21/02/2013	27/04/2017	29/04/2019	M		X			1	6/6				

<b>Number of meetings held during FY 2019</b>	Board of Directors: 14	Audit, Risk and Sustainability Committee: 18	Remuneration Committee: 5
<b>Quorum required in order for minorities to submit lists for the appointment of one or several members (pursuant to Article 147-ter TUF): 1.00%</b>			

#### NOTES

- <sup>(1)</sup> Based on the data recorded in January 2019, with reference to the "Report on corporate governance and ownership structure" for the FY 2018, to which we refer you for a comprehensive list of the aforementioned offices.
- <sup>(2)</sup> The expiration originally envisaged at the time of the appointment has been indicated, though the term of the entire Board ended at the date the Merger took effect.
- This symbol indicates the "Director responsible for the internal audit and risk management system".
  - ◇ This symbol indicates the main supervisor for the Issuer's management (Chief Executive Officer or CEO).
  - \* The date of first appointment of each Director means the date on which the Director was appointed for the first time (in absolute terms) to the Board of Directors of the Issuer.
  - \*\* This column indicates the list from which each Director was drawn ("M": majority list; "m": minority list; "C": co-option);
  - \*\*\* This column shows the number of offices held as Director or Auditor in other companies listed on regulated markets (including foreign markets), in financial, banking, insurance or large enterprises. The list in the Annex shows (based on the data as at January 2019, with reference to the parameters and calculation criteria provided for by the "procedure for the maximum number of offices held" adopted by the Issuer) the aforementioned companies, specifying whether they are part of the group to which the Issuer belongs.
  - (\* ) This column shows the percentage of directors' attendance to the meetings of the Board of Directors and the Committees, respectively (no. of attendances/no. of meetings held during the term of office by the interested party).
  - (\*\*) This column shows the Director's office in the Committee: "C": Chairperson; "M": Member.



**Offices as director or auditor held by some Directors of SIAS in other companies listed on regulated markets (including foreign markets), in financial, banking, insurance or large enterprises**

Member	Company	Office held
S. BARIATTI	Banca Monte dei Paschi di Siena S.p.A.	Chairwoman
S. CASELLI	Generali Real Estate SGR S.p.A. Creval S.p.A. ICF Group S.p.A. EPS Equita PEP SPAC S.p.A.	Director Vice Chairman Director Director
S. DE LUCA	–	–
G. GAROFANO	Miroglio S.p.A. Miroglio Textile S.p.A. Quercus Asset Selection Sarl	Director Director Vice Chairman
S. E. C. KUNST	Consiglio Corporate Development BV.	Director
R. MAZZA	2i Rete Gas S.p.A.	
V. MELE	–	–
F. MOSCETTI	Diasorin S.p.A. Fideuram Investimenti SGR S.p.A. Zignago Vetro S.p.A.	Director Vice Chairman Director
F. V. OUSELEY	–	–
A.G.F. PELLEGRINI	Maire Tecnimont S.p.A. Dea Capital A.F. SGR S.p.A.	Director Director
P. PIERANTONI	Cassa di Risparmio della Spezia S.p.A. Ecorodovias Infrastruttura & Logistica S.A. Primav Infrastruttura S.A. Tangenziali Esterne di Milano S.p.A. Tangenziale Esterna S.p.A.	Director Director Director Director Chief Executive Officer
A. SEGNI	B4 Investimenti SGR S.p.A. Ambienta SGR S.p.A.	Chairman Chairman
P. SIMIONI	ATAC S.p.A. Ambienta SGR S.p.A.	Chairman Chairman
U. TOSONI	Ecorodovias Infrastruttura & Logistica S.A. SITAF S.p.A. Tangenziali Esterne di Milano S.p.A. Tangenziale Esterna S.p.A.	Director Chief Executive Officer Director Chief Executive Officer
M. VESCIA	–	–

<sup>(1)</sup> based on the data recorded in January 2019, with reference to the "Report on corporate governance and ownership structure" for the FY 2018.

<sup>(2)</sup> subsidiary of the Issuer

<sup>(3)</sup> Parent Company of the Issuer

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

Appointed by the Ordinary Shareholders' Meeting of 28 April 2017

Board of Statutory Auditors									
Position	Members	Year of birth	Date of first appointment *	In office since	In office until	List **	Independent pursuant to the Code	Attendance to Board of Statutory Auditors' Meetings ***	Number of other offices ****
Chairman	M. FAZZINI <sup>(1)</sup>	1974	29/04/2011	28/04/2017	Approval of 2019 Financial Statements	M	x	21/22	4
Acting Auditor	P. BRAJA	1964	22/04/2014	28/04/2017	Approval of 2019 Financial Statements	M	x	22/22	16
Acting Auditor	M. BERNI <sup>(1)</sup>	1949	22/06/1999	28/04/2017	Approval of 2019 Financial Statements	M	x	3/3	10
Alternate Auditor	R. CODA	1959	29/04/2005	28/04/2017	Approval of 2019 Financial Statements	M	x	–	32
Alternate Auditor	G. FERRARI	1957	12/02/2020	12/02/2020	Approval of 2019 Financial Statements	M	x	–	21
Alternate Auditor	A. DONESANA	1966	22/04/2014	28/04/2017	Approval of 2019 Financial Statements	M	x	–	9
<b>AUDITORS STEPPING DOWN FROM OFFICE DURING THE FINANCIAL YEAR UNDER REVIEW</b>									
Acting Auditor	E. RAMOJNO	1949	29/04/2011	28/04/2017	24/10/2019	M	x	19/19	22 <sup>(2)</sup>
Number of meetings held during FY 2019: 22									
Quorum required in order for minorities to submit lists for the appointment of one or several members (pursuant to article 148 of the TUF): 2.5%									

**NOTES**

(1) During the previous term of office, these referred to minorities, in the list of the Shareholder Assicurazioni Generali S.p.A.

(2) Based on the data recorded in January 2019, with reference to the Report on corporate governance and ownership structure for the FY 2018.

\* The date of first appointment of each Auditor means the date on which the Auditor was appointed for the first time (in absolute terms) to the Board of Statutory Auditors of the Issuer.

\*\* This column indicates the list from which each Auditor was drawn ("M": majority list; "m": minority list).

\*\*\* This column shows the percentage of Auditors' attendance to the meetings of the Board of Statutory Auditors (no. of attendances/no. of meetings held during the term of office by the interested party).

\*\*\*\* This column shows the number of offices as Director or Auditor held by the interested party, pursuant to Article 148-*bis* of the TUF and the relevant implementing provisions contained in the Consob Issuers' Regulation. The full list of offices is published by Consob on its website, pursuant to Article 144-*quinquiesdecies* of the Consob Issuers' Regulation. Moreover, given that, following the amendments introduced by the Consob Resolution no. 18079 of 20 January 2012 to the Consob Issuers' Regulation, which entered into force on 22 February 2012, the regulations on the limitation on total mandates for the members of control bodies is valid only for those who hold an office in more than one listed or widely distributed issuer, the number of "other offices" reflects the assessment launched in January 2020 with the interested parties.

**TABLE 3B: STRUCTURE OF THE BOARD OF STATUTORY AUDITORS OF SIAS AS AT 31 DECEMBER 2019**

Appointed by the Ordinary Shareholders' Meeting of 27 April 2017

Board of Statutory Auditors									
Position	Members	Year of birth	Date of first appointment *	In office since	In office until	List **	Independent pursuant to the Code	Attendance to Board of Statutory Auditors' Meetings ***	Number of other offices ****
Chairman	D. BRUNO	1969	27/04/2017	27/04/2017	Approval of 2019 Financial Statements	m	x	39/39	11
Acting Auditor	P. FORMICA	1979	27/04/2017	27/04/2017	Approval of 2019 Financial Statements	M	x	38/39	1
Acting Auditor	A. DONESANA	1966	18/04/2014	27/04/2017	Approval of 2019 Financial Statements	M	x	39/39	6
Alternate Auditor	L. BERGERO	1971	27/04/2017	27/04/2017	Approval of 2019 Financial Statements	M	x	–	9
Alternate Auditor	R. BOLLA	1966	27/04/2017	27/04/2017	Approval of 2019 Financial Statements	M	x	–	21
Alternate Auditor	A. PEDERZOLI	1974	27/04/2017	27/04/2017	Approval of 2019 Financial Statements	m	x	–	13
Number of meetings held during FY 2019: 39									
Quorum required in order for minorities to submit lists for the appointment of one or several members (pursuant to article 148 of the TUF): 2.5%									

**NOTES**<sup>(1)</sup> During the previous term of office, these referred to minorities, in the list of the Shareholder Assicurazioni Generali S.p.A.

- \* The date of first appointment of each Auditor means the date on which the Auditor was appointed for the first time (in absolute terms) to the Board of Statutory Auditors of the Issuer.
- \*\* This column indicates the list from which each Auditor was drawn ("M": majority list; "m": minority list).
- \*\*\* This column shows the percentage of Auditors' attendance to the meetings of the Board of Statutory Auditors (no. of attendances/no. of meetings held during the term of office by the interested party).
- \*\*\*\* This column shows the number of offices as Director or Auditor held by the interested party, pursuant to Article 148-*bis* of the TUF and the relevant implementing provisions contained in the Consob Issuers' Regulation. The figure shown is based on the periodic audits carried out in January 2019. The full list of offices is published by Consob on its website, pursuant to Article 144-*quinquiesdecies* of the Consob Issuers' Regulation. Moreover, given that, following the amendments introduced by the Consob Resolution no. 18079 of 20 January 2012 to the Consob Issuers' Regulation, which entered into force on 22 February 2012, the regulations on the limitation on total mandates for the members of control bodies is valid only for those who hold an office in more than one listed or widely distributed issuer, the number of "other offices" reflects the assessment launched in January 2020 with the interested parties.

## ANNEX

**Paragraph on “Main features of risk management and internal audit systems with respect to the financial disclosure process”, pursuant to article 123-bis, paragraph 2(b) of the TUF.**

### **1) Foreword**

The SCIGR is formed of all the rules, procedures and organisational structures intended to allow for the identification, measurement, management and monitoring of the main corporate risks, in order to support the attainment of the strategic objectives of the Issuer and the group.

With regard to the financial reporting process, these objectives may be the reliability, accuracy and timeliness of reporting.

Based on the system used – which includes rules, procedures and guidelines – the Issuer ensures a suitable information flow and data exchange with its subsidiaries, through constant and timely coordination and update activities. In this context, reference is made to both the regulation on the application of reference accounting standards (essentially referring to Group instructions for preparing the financial statements) and the procedures governing the preparation of the Consolidated Financial Statements and the periodic accounting statements, which include those for the management of the consolidation system and intercompany transactions. Any related document is distributed by the Issuer so that subsidiaries can implement it.

### **2) Description of the main features of the existing risk management and internal audit system with regard to the financial reporting process**

The assessment, monitoring and update of the SCIGR with regard to financial reporting entails an analysis (at Group level) of organisational and operating structures according to a risk identification/assessment procedure based on a “risk scoring” administrative and accounting method. Thanks to this activity, assessments can be carried out focusing on those areas characterised by higher risks and/or relevance, or on the risks of major errors (also as a consequence of frauds) in the items of financial statements and any related information document. To this end, the Financial Reporting Officer:

- (i) updated the list of subsidiaries included in the scope of consolidation considered “significant”, grouping them based on the business segment;
- (ii) analysed the Separate and Consolidated Financial Statements as at 31 December 2018 of ASTM and SIAS, the latter merged by incorporation into ASTM with accounting and fiscal effect as of 1 January 2019, in order to identify the main balance sheet entries/accounting areas at risk and the related relevant administrative processes, on the basis of the following criteria:
  - relevance of the individual balance sheet entry, in relation to the Group significance thresholds;
  - variability of the value of the individual balance sheet entry, compared to the previous year;
  - complexity of the calculation;
  - subjectivity of the estimates made to determine the balance sheet entry;
  - subjective assessment by the Financial Reporting Officer;
- (iii) identified the significant Companies;

- (iv) correlated the balance sheet entries identified with the financial statement assumptions;
- (v) identified the significant accounting processes/flows used for each significant balance sheet entry/financial information.

The process adopted allows the identification of organisational structures, processes and any related accounting item, as well as any specific activity, which can give rise to major potential errors. For each administrative accounting process, testing activities are carried out with regard to “key controls” that, according to international best practice, essentially fall into the categories detailed below:

- controls at Group level or for each single subsidiary, such as the assignment of responsibilities, powers and proxies, the separation of duties and rights to access IT applications;
- controls at process level, such as the issue of authorisations, the implementation of reconciliations and consistency assessments, etc. This category includes controls on operational and accounting closing processes. These controls can be "preventive", i.e. aimed at preventing any anomaly or fraud that could give rise to errors in the financial reporting, or "detective", i.e. aimed at identifying existing anomalies or frauds. These controls can be "manual" or "automatic" (e.g. application controls that refer to the technical and setting features of the information systems supporting business activities).

Testing activities are carried out by a major consulting firm, with the help of the employees of each subsidiary, by using sampling techniques recognised by international best practice.

If the operating efficiency of a control receives a negative assessment, compensating controls, corrective actions or improvement plans are identified.