



SIAS - SOCIETÀ INIZIATIVE AUTOSTRADALI E SERVIZI S.P.A.

www.grupposias.it

REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE

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

2017

Approved by the Board of Directors on 14 March 2018

CONTENTS

GLOSSARY	4
1.0 ISSUER'S PROFILE	5
2.0 INFORMATION ON CORPORATE OWNERSHIP (PURSUANT TO ARTICLE 123-BIS, PARAGRAPH 1 OF THE TUF) AT 14 MARCH 2017	5
a) Share capital structure (pursuant to article 123-bis, paragraph 1(a) of the TUF)	5
b) Restrictions on the transfer of securities (pursuant to article 123-bis, paragraph 1(b) of the TUF)	6
c) Significant shareholdings (pursuant to article 123-bis, paragraph 1(c) of the TUF)	6
d) Shares that confer special rights (pursuant to article 123-bis, paragraph 1(d) of the TUF)	6
e) Employees' share ownership: exercise of voting rights (pursuant to article 123-bis, paragraph 1(e) of the TUF)	6
f) Restrictions on voting rights (pursuant to article 123-bis, paragraph 1(f) of the TUF)	6
g) Shareholders' agreements (pursuant to article 123-bis, paragraph 1(g) of the TUF)	7
h) Change of control clauses (pursuant to article 123-bis, paragraph 1(h) of the TUF) and statutory provisions on IPOs (pursuant to article 104, paragraphs 1-ter and 104-bis, paragraph 1)	7
i) Powers to increase the share capital and authorisations to purchase treasury shares (pursuant to article 123-bis, paragraph 1(m) of the TUF)	8
l) Management and co-ordination (pursuant to article 2497 et seq. of the Civil Code)	8
3.0 COMPLIANCE (pursuant to article 123-bis, paragraph 2(a) of the TUF)	8
4.0 BOARD OF DIRECTORS	8
4.1. Appointment and replacement (pursuant to article 123-bis, paragraph 1(l) of the TUF)	8
4.2. Composition (pursuant to article 123-bis, paragraph 2(d) of the TUF)	11
4.3. Role of the Board of Directors (pursuant to article 123-bis, paragraph 2(d) of the TUF)	16
4.4. Delegated bodies	20
4.5. Other Executive Directors	21
4.6. Independent Directors	21
4.7. Lead Independent Director	22
5.0 HANDLING OF CORPORATE INFORMATION	22
6.0 BOARD COMMITTEES (pursuant to article 123-bis, paragraph 2(d) of the TUF)	23
7.0 APPOINTMENTS COMMITTEE	24
8.0 REMUNERATION COMMITTEE	24
9.0 DIRECTORS' REMUNERATION	25
Indemnities payable to directors in the event of resignation, dismissal or termination of the employment relationship following a public takeover bid (pursuant to article 123, paragraph 1(i) of the TUF)	26
10.0 AUDIT, RISK AND SUSTAINABILITY COMMITTEE	26
11.0 INTERNAL AUDIT AND RISK MANAGEMENT SYSTEM	28

11.1.	Director responsible for the internal audit and risk management system	28
11.2.	Internal Audit Manager	29
11.3.	Organisational model pursuant to Legislative Decree 231/2001	30
11.4.	Independent Auditors	31
11.5.	Manager responsible for financial reporting and other corporate roles and functions	31
11.6.	Coordination between individuals involved in the internal audit and risk management system	32
12.0	DIRECTORS' INTERESTS AND RELATED PARTIES' TRANSACTIONS	32
13.0	APPOINTMENT OF STATUTORY AUDITORS	34
14.0	COMPOSITION AND ACTIVITIES OF THE BOARD OF STATUTORY AUDITORS (PURSUANT TO ARTICLE 123-BIS, 2(D) AND (D)BIS OF THE TUF)	36
15.0	SHAREHOLDERS' RELATIONS	40
16.0	SHAREHOLDERS' MEETINGS (PURSUANT TO ARTICLE 123-BIS, PARAGRAPH 2(C) OF THE TUF)	41
17.0	ADDITIONAL CORPORATE GOVERNANCE PRACTICES (PURSUANT TO ARTICLE 123-BIS, PARAGRAPH 2(A) OF THE TUF)	42
18.0	CHANGES SINCE THE END OF THE FINANCIAL YEAR	43
19.0	CONSIDERATIONS ON THE LETTER OF 13 DECEMBER OF THE CHAIRMAN OF THE CORPORATE GOVERNANCE COMMITTEE	43

TABLES

Table 1:	Information on corporate ownership	46
Table 2:	Structure of the Board of Directors and its Committees	47
Table 3:	Structure of the Board of Auditors	50

ATTACHMENTS

Attachment 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

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 July 2015 by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria.

Civil Code: the Italian Civil Code

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

Board: the Issuer's Board of Directors.

Issuer/SIAS: the issuer of securities to which the Report refers.

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

Consob Issuers' Regulation: the Regulation issued by Consob with resolution no. 11971 of May 1999 (as amended) about Issuers.

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

Report: the report on corporate governance and ownership structure that companies are required to produce pursuant to article 123-bis of the TUF.

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

Consolidated Law on Finance/TUF: Legislative Decree no. 58 of 24 February 1998.

1.0 ISSUER'S PROFILE

The Issuer is an industrial holding, listed on the MTA, operating in the management of motorway concessions (its core business) and technology applied to transport and mobility.

The Issuer was established in February 2002 following the demerger of some assets of the parent company ASTM S.p.A., consisting of equity investments held by the latter in licensees mainly located along the Tyrrhenian coast. Subsequently, in 2007, the ASTM and SIAS groups were restructured, with all equity investments in the motorway concessions sector being transferred to the SIAS Group.

Today, the SIAS Group is the fourth operator worldwide in motorway concessions, managing a motorway network of approximately 4,000 km. In particular, through its subsidiaries or jointly controlled licensees, the SIAS Group is Italy's second motorway operator, managing approximately 23% of the network in the north west of the country, along the main European infrastructure corridors and strategic routes identified by the EU for the development of passenger and goods' traffic. The SIAS Group also operates in Brazil through the joint subsidiary Ecorodovias Infraestrutura e LogisticThea S.A., a leading motorway operator managing a network of approximately 2,280 km in seven different states of Brazil, along trade routes in the south and south east of the country.

In the technology sector, the SIAS Group operates through the subsidiary Sinelec S.p.A., an Italian leader in the design and development of advanced systems for managing and monitoring critical infrastructure in the transport sector (motorways, railways, logistics) and in the study, design, installation and maintenance of advanced systems for managing mobility and transport data.

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.

As indicated further on in this Report, the Issuer endorses the Corporate Governance Code and, consequently, the corporate governance structure conforms to recommendations in the Code, apart from exceptions indicated below.

This Report describes the Company's "corporate governance" system and its 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 2018.

2.0 INFORMATION ON CORPORATE OWNERSHIP (PURSUANT TO ARTICLE 123-BIS, PARAGRAPH 1 OF THE TUF) AT 14 MARCH 2018

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

The share capital, subscribed and paid-up, of EUR 113,771,078.00, consists of 227,542,156 ordinary shares with a par value of 0.50 eurocents each, traded on the MTA (FTSE Italia Mid Cap index).

Since 7 April 2014, option contracts on SIAS ordinary shares have been admitted to trading on the Derivatives Market (IDEM).

On 20 May 2005, the Board approved the issue of a bond loan "*SIAS 2.625% 2005 -2017 bond loan convertible into ordinary shares*", comprising 31,875,000 bonds of a nominal unit value of EUR 10.50, traded on the MTA (FTSE Italia Mid Cap index) and wholly subscribed for a value of EUR 334,687,500. From the beginning of the conversion period (1 July 2010) to its end (31 May 2017), the conversion of 42,156 bonds into 42,156 SIAS ordinary shares was requested.

On 30 June 2017, the Issuer repaid the above bond loan, in particular, repaying 31,832,844 unconverted bonds.

There are no (i) financial instruments assigning the right to subscribe to new-issue shares(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)

There are no restrictions on the transfer of securities, such as limits to the holding of securities or the need to obtain approval by the Issuer or other securities' holders.

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 with significant shareholdings, directly or indirectly, in the Issuer pursuant to article 120 of the TUF, as of notices issued in accordance with the TUF, are indicated 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.

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(b) of the TUF)

There are not 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)

The Issuer is not aware of any Shareholders' agreements as of article 122 of the TUF.

h) Change of control clauses (pursuant to article 123-bis, paragraph 1(h) of the TUF) and statutory provisions on IPOs (pursuant to article 104, paragraphs 1-ter and 104-bis, paragraph 1 of the TUF)

Some loan agreements contain normal clauses setting out, subject to the consent of lenders, the obligation to repay the debt in advance if the company SIAS or the parent company Aurelia s.r.l. lose control over the relevant concession holder/s and or the subsidiary/subsidiaries. Moreover, this clause is included (i) in the majority of ISDA agreements governing derivative contracts signed by Group companies in order to prevent the risk from interest rate fluctuations; and (ii)) in some indemnity agreements concerning guarantees issued by Group companies.

The "Standard Agreements" in force, which were signed by the concession holders controlled by the Group of the Issuer, expressly set out the requirements with which the new controlling entity must comply in case of a change of control of the concession holders. 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.) and A33 (managed by Autostrada Asti-Cuneo S.p.A.), the requirements are as follows: (i) integrity, balance sheet strength, professionalism and reliability with regard to compliance with the obligations resulting from contracts signed with public administrations; (ii) compliance with the requirements set out by the so-called "antimafia regulations"; (iii) maintaining the licensee's head office in Italy (only for concessions relative to the A15 and A33 stretches);
- with reference to the 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 as follows: (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 Concession holder'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 Concession Holder in Italy, as well as keeping the Concession Holder'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 2 of the TUF, nor set out the implementation of the neutralisation rules set out in article 104bis, paragraphs 2 and 3 of the TUF.

i) Powers to increase the share capital and authorisations to purchase treasury shares (pursuant to article 123bis, paragraph 1, letter m), 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.

The Shareholders' Meeting has not authorised the purchase of treasury shares pursuant to article 2357 et seq. of the Civil Code.

j) Management and co-ordination (pursuant to article 2497 et seq. of the Civil Code)

The Issuer is subject to management and coordination by Argo Finanziaria S.p.A. unipersonale.

It should be noted that:

- - the information required by article 123bis, paragraph 1, letter i) ("*the agreements between the company and the directors [...] providing for indemnities in case of resignation or dismissal without just cause or termination following a takeover bid*") is contained in the remuneration report published in compliance with article 123ter of the TUF;
- - the information required by article 123bis, paragraph 1, letter l) ("*the rules for the appointment and replacement of Directors [...], as well as for the amendment of the Articles of Association, if different from the supplementary legal and regulatory rules*") is detailed in the section of the Report on the Board of Directors (Section 4.1).

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

As already stated, the Issuer endorses the Corporate Governance Code, which is available on the website of the Corporate Governance Committee: <http://www.borsaitaliana.it/comitato-corporate-governance/codice/codice.htm>.

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.

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(l) of the TUF)

Pursuant to article 16 of the Articles of Association, the Company 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, by ensuring a number of independent directors, as well as gender balance, as required by law.

The whole Board of Directors is appointed on the basis of the 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 statutory maximum number of Directors 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 must 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. Lists containing a number of candidates greater than or equal to three must also include, as specified in the meeting call, candidates of different gender, in order to ensure compliance with the requirements of regulations in force at any time concerning gender balance.

Only shareholders who alone or together with other Shareholders hold shares representing the shareholding in the share capital, as set out by law, have the right to submit lists. The legal title to the above mentioned shareholding shall be proved according to the methods and time-scales set out by the applicable law.

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

Each person entitled to vote may vote only one list.

Election of members will proceed 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. 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.

If the outcome of the aforementioned procedure generates a composition of the Board that does not allow the gender balance 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.

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.

If the replacement of the candidate of the most represented gender with the lowest quotient in the ranking does not allow, however, the minimum threshold established by current legislation for gender balance to be achieved, the above-mentioned replacement operation is also performed with reference 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 legislation in force at any time concerning gender balance.

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 balance.

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 reestablished, 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 persons appointed during this period shall fall from office 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 decided not to adopt a succession planning policy for executive directors, since it was deemed inappropriate to identify persons or criteria for their selection before the actual need to replace an executive director arises.

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

The Board in office until 27 April 2017 was appointed by the Ordinary Shareholders' Meeting of 18 April 2014 for the financial years 2014 - 2015 - 2016 (i.e. until the approval of the 2016 Financial Statements), based on the 2 filed lists:

- list no. 1 (representing the majority) submitted by ASTM S.p.A., owning at this date 61.704% of the share capital, which includes 12 candidates (Stefania Bariatti, Giovanni Angioni, Maria Caramelli, Beniamino Gavio, Daniela Gavio, Maurizio Leo, Andrea Pellegrini, Ferruccio Piantini, Paolo Pierantoni, Giovanni Quaglia, Alberto Sacchi, Graziano Settime);
- list no. 2, representing the minority, submitted by Assicurazioni Generali S.p.A., owning, at this date, 3.634% of the share capital, which includes 3 candidates (Licia Mattioli, Antonio Segni, Stefano Caselli).

Having approved the resolution proposals made by ASTM S.p.A., the Shareholders' Meeting had set the number of members of the Board as 15. Therefore, all candidates proposed in the two lists were elected.

For further information on the Board in office until 27 April 2017, reference is made to the "2016 Report on corporate governance and ownership structure" available on the Issuer's website, under the *governance* section.

The Board currently in office was appointed by the Ordinary Shareholders' Meeting of 27 April 2017, based on the lists filed by Shareholders pursuant to law and to the Articles of Association. The above Shareholders' Meeting also set the number of Board members to 15, who will remain in office for the financial years 2017-2018-2019 and, therefore, until the 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 1.00% of the share capital. Two lists were submitted:

- list no. 1 (representing the majority) submitted by ASTM S.p.A., owning 61.695% of the share capital of the Issuer, which includes the 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, submitted by a group of Italian and foreign institutional investors holding 1.641% of the share capital of the Issuer, which includes the 4 candidates: Sergio De Luca, Saskia Elisabeth Christina Kunst, Paolo Simioni and Paola Annamaria Petrone (this minority list included the statement certifying the absence of relations with reference shareholders, as provided for by applicable laws and regulations).

Out of 176,780,840 shares (equal to 77.694% of the share capital with voting rights):

- list no. 1 submitted by ASTM S.p.A. was voted for by 143,550,534 shares (equal to 81.204% of the share capital present and 63.089% of the share capital with voting rights);
- list no. 2 submitted by the minority was voted for by 32,653,686 shares (equal to 18.472% of the share capital present and 14.351% of the share capital with voting rights);
- votes accounting for 33,735 shares were cast against both lists (equal to 0.019% of the share capital present and 0.015% of the share capital with voting rights);
- abstaining votes accounted for 501,262 shares (equal to 0.284% of the share capital present and 0.220% of the share capital with voting rights);
- no votes were cast for 37,623 shares (equal to 0.021% of the share capital present and 0.017% of the share capital with voting rights).

For each voting, the list with the names of the Shareholders and their votes is included in the meeting's minutes of 27 April 2017, which have been published on the Issuer's website under the "*governance*" section.

The following candidates were therefore voted to the Board:

- from list no. 1 submitted by ASTM S.p.A., 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, submitted by the minority, the following 3 candidates: Sergio De Luca, Saskia Elisabeth Christina Kunst and Paolo Simioni.

Upon acceptance of the nomination, Giovanni Angioni, Stefano Caselli, Sergio De Luca, Edda Gandossi, Saskia Elisabeth Christina Kunst, Licia Mattioli, Andrea Pellegrini, Antonio Segni and Paolo Simioni declared they were independent in compliance with the provisions set out in the Code and in the TUF, while Ferruccio Piantini declared he was independent only pursuant to the TUF.

The above Shareholders' Meeting also appointed Stefania Bariatti as Chair of the Board of Directors.

On 12 March 2018, the Board Director Giovanni Angioni stepped down from office. The Board meeting of 14 March 2018, considering the approaching Shareholders' Meeting to approve the 2017 Financial Statements, decided not to proceed with co-option.

As regards the term of office of Board Members, the date of the first-time appointment of each Director is indicated below: Daniela Gavio and Paolo Pierantoni (8 February 2002, date of incorporation of the Issuer), Beniamino Gavio (Ordinary Shareholders' Meeting of 8 May 2003), Ferruccio Piantini (Ordinary Shareholders' Meeting of 7 May 2004), Stefano Caselli (Ordinary Shareholders' Meeting of 27 April 2011), Giovanni Quaglia (co-opted by the Board on 21 February 2013), Stefania Bariatti (co-opted by the Board on 1 August 2013), Licia Mattioli, Andrea Pellegrini and Antonio Segni (Ordinary Shareholders' Meeting of 18 April 2014).

Tables 2 and 2.1. in the appendix include a summary of the information concerning the members of the aforementioned Board and relevant Committees.

As can be inferred from the short bibliographical notes detailed below, the Directors possess adequate professional experience with regard to legal, technical, economic and financial subjects as well as specific skills through which they actively participate and contribute to the Board's proceedings and decisions:

Stefania Bariatti: born in Milan on 28 October 1956. She was awarded a degree in Law from Milan University, where she is Professor of International Law. She is counsel at the Chiomenti law firm. She has been a Director of ASTM S.p.A. since 2013 and since 2017 has been Board Director of Monte dei Paschi di Siena S.p.A.. At international level, from 1999 to 2007 she represented the Italian Government at the Hague Conference on Private International Law during works concerning some international conventions. Moreover, she is author of many publications on Private International Law, European Union Law and International Law.

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 motorway concession, construction sectors and transport on behalf of third parties.

Paolo Pierantoni: born in Genoa, on 9 December 1956. He was awarded a degree in Civil Engineering (Hydraulics) from Genoa University and acquired expertise in corporate management matters within both major construction companies and the Gavio Group, with particular reference to the motorway concession, engineering and infrastructure technologies sectors.

Stefano Caselli: born in Chiavari (Genoa) on 14 June 1969. He was awarded a degree in Economics from Genoa University, specialising in Finance and Financial Brokerage. He is professor of Financial Brokerage Economics at the Bocconi University in Milan, and is the author of several national and international publications. He works as a Director at leading assetmanagement companies, as well as a management consultant for banks, companies and institutions with regard to risk assessment models, corporate assessment and strategy.

Beniamino Gavio: born in Alessandria on 13 October 1965. He was awarded a degree in Economics from Kensington University, Glendale (California, United States), He acquired expertise in corporate management matters mainly within the Gavio Group, with particular reference to the motorway concession, construction sectors, sale of electricity and transport on behalf of third parties.

Licia Mattioli: born in Naples on 10 June 1967. She was awarded a degree in Law from Turin University. She is a member of the bar of Turin. Together with her family, she runs the leading company of the same name in the European goldsmith sector and holds important positions on several Boards and with various Associations.

Andrea Pellegrini: born in Milan on 10 October 1964. He was awarded a degree in Business Economics, specialising in Business Finance, from Bocconi University, Milan. He is an advisor to leading companies operating in the sector of strategic consultancy in extraordinary finance and senior management.

Ferruccio Piantini: born in Venice on 28 January 1953. He was awarded a degree in Economics and Business from Bocconi University, Milan. He has always held major positions within the banking and brokerage sectors, mainly specialising in corporate acquisitions and disposals.

Giovanni Quaglia: born in Genoa (Cuneo) on 20 October 1947. He was awarded a degree in Modern Literature (Arts and Philosophy) from Turin University. In addition to the professional knowhow acquired in the education sector, he has developed advanced managerial and management skills working in an administrative capacity for several local authorities in Piedmont. He is a member of the management bodies of banks and motorway and transport companies.

Antonio Segni: born in Genoa on 11 May 1965. He was awarded a degree in Law from La Sapienza University, Rome and is a member of the Rome Lawyers' Council. He mainly focuses on extraordinary finance, M&A and capital markets sectors, providing consultancy services to listed companies on corporate governance and financial markets regulations. He is on the boards of listed companies and the author of several publications concerning financial markets law.

Sergio De Luca: born in Zungoli (Avellino) on 3 September 1950. He was awarded a degree in Electrical Engineering from Turin Polytechnic. He has considerable experience in the railway transport construction and civil construction industries, at an international level, on markets in Europe, North America, India, China, Australasia and the Middle East.

Edda Gandossi: born in Trenzano (Brescia) on 2 February 1956. She was awarded a degree in Law and Philosophy from Parma University. She is a member of the bar of Milan and specialises in economic criminal law.

Saskia Elisabeth Christina Kunst: born in Rotterdam on 26 July 1966. She was awarded a degree in Italian from Leiden University. She gained professional experience holding managerial and senior managerial positions with major international companies operating, among others, in the offshore energy sector, in the supply of floating oil platform services and logistics.

Paolo Simioni: born in Valdobbiadene (Treviso) on 19 December 1960. He was awarded a degree in Civil Engineering from Padova University. He gained experience in managing companies in the transport sector and in the re-qualification and business development of mobility infrastructure, holding managerial and senior managerial positions in sector companies.

The comprehensive curricula of the members of the Board are available on the Issuer's website, under the "*governance*" section.

Diversity policies

As regards the composition of the management body, the current composition of the Board, 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. However, to value human capital on the basis of merit, professional expertise, conduct, integrity and confidence, while also promoting an inclusive work environment that is open to diversity, the Board approved a "diversity and inclusion" policy on 14 March 2018, applicable to the Issuer and its subsidiaries.

Maximum number of offices held in other companies

The Board adopted a procedure, 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 said 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. 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 SIAS, 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) above, 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 must 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 in case that the latter, as subholding 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 above-mentioned limits.

The list attached to Table 2.1 shows the offices held by some Directors, in view of the aforementioned parameters and criteria.

Induction Programme

Following the new appointment of the Board in June 2017, an induction session was held presenting the Issuer's Group and its core business to Board Directors, with a particular focus on motorway sectors, and on strategies basically related to the development of activities and initiatives to expand competitive positioning on the Italian market and abroad. In July 2017, during the presentation of the "Going Global 2017-2021 Strategic Plan" (which targets the development of the ASTM-SIAS Group over the next five years, through a growth strategy based on geographic expansion and consolidation of the domestic market), the SIAS Group and its core business were presented.

Thanks to the frequency and the contents of Board Meetings, the Directors and Auditors are constantly informed on the corporate and market situation, as well as on the main legal and regulatory developments concerning the Issuer and the Group. Having considered the industrial holding activities carried out by SIAS and characteristics of the group it belongs to, special attention has been paid to the purchase and disposal of equity investments and to the motorway and construction segment, so that it was possible to have an updated framework on the corporate activities and dynamics under way/being assessed, in order to make proper decisions.

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

The Board in office until 27 April 2017 held 4 meetings during 2017. The Board in office as from 27 April 2017 held 8 meetings during 2017. For further information on the attendance of each Director in meetings, see Table 2.1.

The average duration of each meeting was approximately 1 hour and a half.

With regard to 2018 as detailed in the annual schedule of corporate events submitted to Borsa Italiana in January 2018 at least 4 meetings have been scheduled to approve the Financial Statements, the halfyearly Financial Report, as well the additional periodic financial information at 31 March and 30 September. Since the start of 2018, 3 board meetings have already been held, of which 2 not included in the above scheduled meetings.

The Chairperson and the Managing Director have always made sure that Board Members and Auditors could 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 2017, the above deadline was met.

Moreover, the Chairperson 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 Chairperson 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.

As a standard practice, the General Manager takes part in board meetings, contributing with his/her specific experience, and 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 is endowed with broad and unrestricted powers for the ordinary and extraordinary administration of the company and has the authority to carry out all actions (including acts of disposal) that it deems necessary to achieve the corporate purpose, with the sole exception of expressly reserved to the Meeting by law.

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 delegated bodies 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 subsidiaries with "strategic importance.

The Board is responsible for analysing the following transaction with major strategic, economic, asset of financial relevance implemented by the Issuer or its subsidiaries:

- a) the issue of financial instruments, for a total value higher than EUR 10 million;
- 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) which have an amount higher than EUR 10 million as notional value, and ii) which do 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 splitoff transactions, where at least one of the companies involved is not a subsidiary;
- f) acquisition or disposal of real estate whose value is equal or higher than EUR 5 million;
- g) acquisition or disposal of companies or business units, fixed assets and other assets, whose transaction value is equal or higher than EUR 10 million;
- h) acquisition or disposal of equity investments, incorporation of new companies and transactions involving new contributions that are not proportional to the shareholding ("new contributions" means share capital increase subscription, payments towards future share capital increase, payments to cover losses) for which the value of the transaction/contribution for the Issuer is equal or higher than EUR 5 million, as well as the signing of agreements for the exercise of rights related to these equity investments and transactions 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;
- i) with regard to the subsidiaries operating in the "motorway sector", the signing, renewal, termination or withdrawal of concession agreements;
- a) any other transaction that, according to the competent Bodies of a subsidiary, 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 to subsidiaries.

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 contained in the following paragraph 12.0 "Directors' interests and transactions with related parties".

Assessment on the size, composition and functioning of the Board

The Directors carried out the usual annual assessment of the size, composition and functioning of the Board and its Committees, in compliance with the Code.

In this regard and at the Chairperson's initiative, in January 2018 an inquiry was launched with all members of the Management Body, based on the distribution of a questionnaire to be filled out concerning the themes under review and, specifically: (i) the composition of the Board and professional expertise of members in relation to the activities carried out by the Issuer in a capacity as industrial holding, (ii) the functioning of the Board (iii) the role, composition and functioning of Board committees, (iv) independent Directors.

To ensure an effective and independent assessment, the Directors were assisted by Willis Towers Watson, an international consulting company with extensive experience in the sector. Interviews with individual Directors were also conducted by the advisor.

The results of this review, which are anonymous, were analysed in depth during the Board' meeting of 14 March 2018, which resulted in an overall positive assessment of the functioning of the Board and Board Committees, in line with previous financial years.

With particular reference to the industrial holding activity carried out by the Issuer, the Directors believe they have adequate professional experience (concerning legal, technical, economic and financial subjects as applicable), through which they ensure the Board, also taking into account seniority and number, have the expertise to achieve the strategies and guidelines of the Issuer and its Group.

In particular, the Board Directors, with specific reference to corporate operations and objectives achieved in 2017, also considering assistance from Directors, Committees, the Internal Audit and Risk Management Director and Supervisory Bodies:

- acknowledged that they took part in corporate activities and actively contributed to the works and decisions, as confirmed by their regular and continued participation in the meetings.
- were updated on the ordinary and extraordinary operations of the Issuer, on significant events, as well as on initiatives under assessment and those carried out in the exercise of management powers.

In this context, in order to allow Directors to express an informed opinion, they were usually provided with documentation and information on the items on the agenda with reasonable advance of individual Board meetings.

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

The Meeting did not grant derogations with regard to the noncompetition clause pursuant to article 2390 of the Civil Code as a general and preventive measure.

4.4 Delegated bodies

Managing Director

Following the renewal of the Board of Directors by the Shareholders' Meeting held on 27 April 2017, the Board of Directors met on 2 May 2017 and set out the Issuer's governance lines, adopting resolutions on corporate offices and the related management powers, in line with the previous financial year.

In this regard, the Board confirmed Paolo Pierantoni as Managing Director of the Issuer, giving him the power to carry out all company operations, save for limitations established by law and by the Articles of Association, with the exception of the following powers, which require prior authorisation from the Board: (i) sell, exchange and transfer real estate in incorporated companies or under incorporation, (ii) transfer, sell, award and generally dispose of the equity investments held in subsidiaries in which an equity investment equal or lower than 67% of the share capital is held, (iii) transfer, sell, award and generally dispose of the equity investments held in subsidiaries in which an equity investment higher than 67% of the share capital is held, so that the equity investment is lower than this percentage value, (iv) waive legal mortgages..

Moreover, the Managing Director also has the power to appoint and revoke appointment of proxies and attorneys by setting out their powers, as well as to promote and support legal actions on behalf of the Issuer – acting as both claimant or defendant – at any court (civil, penal or administrative) and at any level of jurisdiction, in Italy and abroad.

Chairperson of the Board of Directors

The Shareholders' Meeting of 27 April 2017 confirmed Stefania Bariatti's appointment as Chairperson of the Board of Directors. The Chairperson Stefania Bariatti legally represents the Company before third parties and in court, as set out by the Articles of Association, and has the following powers to be exercised with separate signature granted by the Board on 2 May 2017: (i) setting the agenda of the Board of Directors' meeting, in agreement with the Managing Director, (ii) providing for external communication, together with the Managing Director, (iii) signing corporate mail and the documents related to the office and the exercise of powers.

Vice Chair

With a view to guaranteeing the Board's operating continuity, Daniela Gavio was appointed as Vice Chair during the Board meeting of 2 May 2017. The Vice Chair has the same powers as the Chairperson, to be exercised with separate signature, in the absence or impediment of the Chairperson.

General Management

In a document dated 4 May 2017, Umberto Tosoni was appointed as General Manager. He essentially has the following duties, based on the powers granted to him (i) assisting the Managing Director in executing the resolutions of the Board of Directors; (ii) preparing the organisational plans, in compliance with the general guidelines of the Board, which shall be examined in advance by the Managing Director; (iii) providing in agreement with the Managing Director management support to subsidiaries, as part of the management and co-ordination activities of SIAS and (iv) co-ordinating the activities of Company Departments and overseeing the organisation of employees, by defining their tasks and abilities, as well as adopting disciplinary measures in compliance with current rules, the national collective agreement and the corporate trade union agreements.

As part of current, ordinary company operations, an expenditure limit of EUR 1,000,000 is set for negotiating and signing contracts, for depositing amounts at banks, paying and endorsing cheques, depositing and withdrawing instruments and valuables, as well as ordering payments.

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 has not appointed an Executive Committee.

Information to the Board

In compliance with article 24 of the Articles of Association, the Delegated Bodies reported directly to the Board of Directors and the Board of Statutory Auditors on the activities carried out in the exercise of their powers, as well as on the overall performance and the outlook, during single meetings and at least on a quarterly basis.

4.5 Other Executive Directors

Besides the Managing Director, Paolo Pierantoni, (i) Beniamino Gavio, in his capacity as Chairman of the Board of Directors of Argo Finanziaria S.p.A. unipersonale and Aurelia S.r.l. (companies controlling the Issuer); and (ii) Daniela Gavio, in his capacity as member of the Executive Committee of SALT p.A. (a company of strategic importance controlled by the Issuer) qualify as executive directors pursuant to the definition in the Code.

4.6 Independent Directors

7 Board Directors meet the independence requirements established by the Code and by article 148, paragraph 3 of the TUF, while one Director only meets the independence requirements established by the TUF.

Compliance with these requirements – that was stated upon presentation of the lists, together with the acceptance of the candidature – was positively assessed by the Board following the appointment and during the annual periodic assessments, (the last one was made in March 2018). To this end it should be noted that the independence of the Director Ferruccio Piantini was confirmed, given that this Director has been in office for over nine years, in consideration of his independent opinion and professional capabilities demonstrated.

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 meeting of the Independent Directors was held in January 2018, who confirmed their favourable opinion of the operations and composition of the Board, the mix of professional profiles and knowledge suitable to achieve the strategies and aims of the Issuer and its Group.

In this context, the Independent Directors expressed their favourable opinion on the existing information flow that enables them to monitor corporate activities and the internal audit system of the Issuer and its main investees thanks to the timely co-operation of corporate management and the responsible staff.

It was noted that the Board is periodically updated on the ordinary and extraordinary operations of the Issuer, on significant events, as well as on initiatives under assessment and those carried out in the exercise of management powers.

The precious contribution provided by the Audit, Risk and Sustainability Committee (also in its capacity as Related Parties' Committee, where applicable), by the Remuneration Committee and by the Board of Statutory Auditors was also recognised. These are all bodies that periodically report on their activities, supporting Board decisions, in the framework of their powers and authorities.

4.7 Lead Independent Director

The current organisational structure of the Board, with regard to the distribution and allocation of management powers, complies with the principles contained in the Code, according to which the company management should be divided from the office of Chairperson. 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 Chairperson and the Managing Director, in co-operation with the investor relations' supervisor, were in charge of the management of corporate information, with particular reference to pricesensitive information.

Documents and information on the Issuer and its subsidiaries are disclosed externally in agreement with the Chairperson and the Managing Director 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 by the entry into force of Regulation (EU) No 596/2014, 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, Risk and Sustainability Committee to adopt Consob guidelines, also in view of "inside information" relative to SIAS identified with reference to the 2013/2017 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 SIAS 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. With respect to *“Insider Trading”* rules, which are governed by a dedicated procedure that was last updated also to take into account the entry into force of Regulation (EU) no. 596/2014, 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 entitled *“Transactions carried out by relevant parties and close associates”* is drawn up and given to relevant parties. This document contains (i) all legal and regulatory provisions that constitute the regulatory framework, as well as (ii) the terms and conditions for communications to Consob, Issuer and the market.

6.0 BOARD COMMITTEES (PURSUANT TO ARTICLE 123-BIS, PARAGRAPH 2(D) OF THE TUF)

On 2 May 2017, the Board established the Remuneration Committee and Audit and Risk Committee (subsequently called the *“Audit, Risk and Sustainability Committee”*), of which the composition is based on requirements in the Code on the independence of committee members.

The Board decided not to establish the Appointments Committee or other committees, for reasons described below.

7.0 APPOINTMENTS COMMITTEE

In line with assessments made in the past, the Board decided not to establish an Appointments Committee, as the appointment of Directors is carried out by means of list voting, in compliance with the terms and conditions set out in article 16 of the Articles of Association and as required by current regulations, also considering, in accordance with Criterion 1.C.1. letter h) of the Code, the opinion of the Board to Shareholders concerning managerial and professional positions, which are considered as appropriate for the Board.

8.0 REMUNERATION COMMITTEE

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

The Remuneration Committee comprises the independent directors Antonio Segni (Chairperson), Saskia Elisabeth Christina Kunst and Licia Mattioli, who have adequate knowledge of and experience in financial issues and remuneration policies.

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 Remuneration Committee in office until 27 April 2017 held 3 meetings in 2017.

The Remuneration Committee currently in office held 4 meetings in 2017. During 2018, 3 meetings have already been held.

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.

Functions

In compliance with the Code, the Remuneration Committee has the power to: (i) submit proposals to the Board concerning remuneration policies for directors and key management personnel; (ii) periodically assess the adequacy, general coherence and practical implementation of remuneration policies adopted for directors and key management personnel, by using (with regard to this latter point) the information provided by managing directors, as well as make proposals to the Board on this subject; (iii) make 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 decisions adopted by the Board by assessing, in particular, the achievement of performance objectives.

To carry out its duties, the 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 to not adopt a specific budget for the Committee.

9.0 DIRECTORS' REMUNERATION

General remuneration policy

Pursuant to article 16 of the Articles of Association, the Shareholders' Meeting approves the annual compensation payable to members of the Board, which remains valid also for financial years following the year of approval, until a new decision is taken by the meeting.

The members of the Board are entitled to the reimbursement of the expenses incurred as a result of their office.

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

Moreover, the Board sets out the compensation for members of the Supervisory Body and Committees that have been established in compliance with the Code.

In March 2017, on the proposal of the Remuneration Committee in office up until 27 April 2017, the Board approved the remuneration policy of the Issuer which the Shareholders' Meeting of 27 April 2017, requested to pass an advisory vote, approved. The main parts of remuneration considered in the remuneration policy are: *(i)* fixed remuneration; *(ii)* the annual management incentive system; *(iii)* benefits. The approach to overall retribution entails a balanced package of fixed and variable elements, both monetary and non-monetary, that considers the Issuer's strategic objectives and risk profile with respect to the sector in which the Issuer operates and the characteristics of the activity performed. Consequently, the management incentive system provides for the following:

- variable remuneration linked to the achievement of specific corporate performance parameters;
- previously established and determined objectives, which shall also be linked to the process to define corporate objectives.

In particular, during 2017 *(i)* an annual incentive system was adopted for the Managing Director and General Manager of the Issuer (MOB Plan), which gives the beneficiaries a monetary bonus if established economic/financial and project/strategic objectives are achieved and *(ii)* technical analysis was started to assess the use of long-term incentives related to long-term objectives, to award the achievement of long-term quantitative and qualitative results that are functional for generating value and sustainable growth, in keeping with the interests of shareholders and stakeholders, and for retaining key personnel of the Issuer).

This issue is described in full in the "Remuneration Report" (prepared in compliance with article 123ter of the TUF and article 84-quater of the Consob Issuers' Regulation), which is available on the company's website, under the "*governance*" section.

Remuneration of key management personnel

Apart from the General Manager, the Issuer has not identified additional key management personnel, pursuant to the definition in the Consob Related Parties Regulation.

Incentives for the internal audit manager and the manager responsible for financial reporting

In line with the principles and values of the Issuer's remuneration policy, no incentives are provided for the internal audit manager and the manager responsible for financial reporting.

Indemnities payable to directors in the event of resignation, dismissal or termination of the employment relationship following a public takeover bid (pursuant to article 123, paragraph 1(i) of the TUF)

The Issuer did not sign with the Directors and the General Manager any agreements for indemnities in case of resignation, dismissal or termination of the employment following a takeover bid, or any non-competition agreements entailing the payment of a sum in respect of the obligation arising from the aforementioned agreements.

10.0 AUDIT, RISK AND SUSTAINABILITY COMMITTEE

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

The Audit, Risk and Sustainability Committee consists of the Independent Directors Andrea Pellegrini (Chairman), Sergio De Luca and Stefano Caselli.

The Committee is convened by the Board's Secretarial Department on request of committee members.

The Committee in office until 27 April 2017 held 4 meetings in 2017. The Committee currently in office held 9 meetings in 2017 and 4 meetings in 2018.

Committee meetings (whose length was in line with the issues discussed) were attended by the Members of the Board of Statutory Auditors, who are also always invited.

Based on the "Guidelines for the Internal Audit and Risk Management system", approved by the Board in May 2014 and last revised by resolution of the Board of 14 May 2018, the Committee reports on the results of its activities on a halfyearly basis, during meetings held to approve the annual and interim accounting documents; as a consequence, at least 2 meetings have been planned for FY 2018, without prejudice to further meetings concerning any preliminary assessment of transactions with related parties.

Functions of the Audit, Risk and Sustainability Committee

The 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 Committee carries out all the tasks set out by the Code, specifically: *a)* together with the manager responsible for financial reporting and having consulted with the independent statutory 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; *b)* it expresses opinions on specific aspects concerning the identification of the main corporate risks; *c)* it evaluates the periodic reports on the assessment of the internal audit and risk management systems and those of significant importance prepared by the internal audit function; *d)* it monitors the autonomy, adequacy, efficacy and effectiveness of the internal audit function; *e)* where it deems it necessary, it asks the internal audit function to carry out audits on specific operating areas, by notifying this to the Chairperson of the Board of Statutory Auditors; *f)* it reports to the Board on its activity and the adequacy of the internal audit and risk management system at least on a half-yearly basis, at the time of approval of the annual and half-yearly financial reports; *g)* it supports, with suitable investigation activity, the assessment and the decisions of the Board on the management of risks arising from detrimental events that have come to the attention of the Board.

On 9 August 2017, the Board resolved to assign the Committee, in addition to the above functions, the 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 it is considered functional for and compatible with the activities it already carries out - meets the Issuer's aim, 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. In relation to the above, the Committee, that was renamed the "Audit, Risk and Sustainability Committee" endorsed the 2017-2021 Sustainability Plan, approved by the Board in November 2017, monitoring its implementation status.

To perform its functions, the Committee receives the following information flows:

- the Audit Plan from the Internal Audit function, to submit to the Board for approval, as well as the periodic report on audit results;
- from the Manager responsible for financial reporting, 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 responsible for the internal audit and risk management system, the report on the implementation of Guidelines for the internal audit and risk management system and on the adequacy and effectiveness of the System as a whole, as well as any reports on specific issues and criticalities identified while carrying out his/her duties.

During 2017, the Committee did not request the internal audit function to carry out assessments on specific operational areas.

According to the procedure on transactions with related parties adopted by the Issuer, the Committee is in charge of analysing in advance and as applicable, transactions with related parties, in order to support the Board's resolutions.

To carry out its duties, the 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 to not adopt a specific budget for the Committee.

11.0 INTERNAL AUDIT AND RISK MANAGEMENT SYSTEM

The Board is responsible for the internal audit and risk management system; 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.

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.

Moreover, the director responsible for the internal audit and risk management system, the internal audit function, the manager responsible for financial reporting, as well as the "Model 231" and the "Control Model 262" aim at safeguarding principles of proper and efficient management. For further details, see other relative sections of this Report.

With respect to the above, the Board, as part of the assessment performed in March 2018, believes that the internal audit system is adequate and effective for the identification, measurement, management and monitoring of risks considering the risk profile assumed and the features of the Issuer and of each business sector in which the Group to which it belongs operates.

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 DIRECTOR RESPONSIBLE FOR THE INTERNAL AUDIT AND RISK MANAGEMENT SYSTEM

The role of director responsible for the internal audit and risk control management system (the "Responsible Director") has been covered by the Managing Director Paolo Pierantoni since 2 May 2017.

As part of his mandate, the Responsible Director, together with the Audit, Risk and Sustainability Committee and the Board of Statutory Auditors, monitored the system to identify and assess risks to which the Issuer and its Group are exposed, on an ongoing basis.

In particular, the Responsible Director carried out an assessment in the second half of 2017 and first few months of 2018, together with the Audit, Risk and Sustainability Committee, based on which the Internal Audit and Risk Management System of the Issuer was revised, 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, SIAS:

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

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

11.2 Internal Audit Manager

The Board, on the proposal of the Responsible Director, and after consulting with the Audit and Risk Committee and Board of Statutory Auditors, appointed Mario Ciampini, who has long-term experience in management control, as Internal Audit Manager on 23 December 2014.

In February 2016 the Board - after consulting with the Audit, Risk and Sustainability Committee, the Board of Statutory Auditors and the Responsible Director - approved the new "2016-2018 Audit Plan" and relative audit schedule for 2016, with related time scales and commitment in terms of "man/days". On this occasion, the Board also approved the payment of annual compensation for the Internal Audit Manager for his position.

To prepare this plan and identify relative areas and processes, the results of (i) audits conducted in previous years, (ii) the risk assessment carried out by SIAS's management and periodically updated, (iii) meetings with the Issuer's management to further investigate areas considered more critical, and (iv) audits pursuant to Law 262/2005 and Legislative Decree 231/2001 were considered.

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.

In February 2017, the Board approved, as part of the three-year plan, the audits planned for the current financial year, allocating to the Internal Audit Manager a fund of EUR 70,000 for the performance of the duties linked to his function in the 2017 financial year.

Following the revision of the internal audit and risk management system of the SIAS Group, described above and approved by the Board on 14 March 2018, a new audit plan for the 2018-2020 period will be approved.

As set out by the Code, the Internal Audit Manager periodically prepares reports on his/her activities, the methods with which risks were managed and compliance with the plans defined for their mitigation, submitting them to the Chairpersons of the Board of Directors, the Board of Statutory Auditors and the Audit, Risk and Sustainability Committee and to the Responsible Director.

11.3 Organisational model pursuant to Legislative Decree 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 "Confindustria Guidelines" approved in March 2002 and last updated in 2014 – was then updated on an ongoing basis, to take into account the many offences that were gradually included in the scope of predicate offences considered by Decree no. 231/01 and to implement necessary adjustments due to organisational changes over the years.

In February 2018, the Issuer updated its Model 231, and documents mapping applicable offences, with reference to legal developments taking place after 22 September 2016 (date of the last model revision), and in particular:

- Law 199 of 29 October 2016 which introduced the offence of "Unlawful brokerage and exploitation of labour" as of article 603-bis of the Criminal Code;
- Legislative Decree no. 38 of 15 March 2017, "Implementing Council Framework Decision 2003/568/JHA of 22 July 2003 on combating corruption in the private sector", which introduced, as an offence for which entities have administrative liability, the (i) offence of "Instigating individuals to commit bribery", as of the new article 2635-bis of the Civil Code and (ii) amended the offence of "bribery between individuals" as of article 2635 of the Civil Code, expanding the scope;
- Law 161 of 17 October 2017 with "Amendments to the code of anti-mafia laws and prevention measures", amending article 25-duodecies of Legislative Decree 231/01, extending the types of sanctioned offences to include conduct related to the use of citizens from third countries without a residence permit and the exploitation of clandestine immigration;
- Law 167 of 20 November 2017 on "Provisions for alignment with obligations arising from Italy being a part of the European Union", introducing article 25-terdecies to Legislative Decree 231/01, sanctioning the offences of "Racism and Xenophobia";

The Board of Directors appointed a Supervisory Body ("SB") to which it has allocated the task of monitoring the operation, effectiveness and compliance with "Model 231", as well as proposing updates.

The SB adopts the rules required for its functioning, formalising them in a dedicated regulation. Members of the SB remain in office for three financial years.

The SB in office, appointed by the Board on 2 May 2017, comprises the Board Director Edda Gandossi (Chair), the Acting Auditor Annalisa Donesana and Roberto Sanino

The SB held 12 meetings during 2017 and has held 2 meetings in 2018.

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

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

11.4 Independent Auditors

Pursuant to the appointment granted by the Shareholders' Meeting of 12 May 2018, the company Deloitte & Touche S.p.A. audited the accounts of the Issuer for the financial years from 2008 to 2016. As the above appointment ended with the approval of the 2017 Financial Statements and nine years is the maximum term of office as provided for by article 17 of Legislative Decree no. 39/2010, a tender was called to appoint new independent auditors.

Following the tender, and as proposed by the Board of Statutory Auditors, the Shareholders' Meeting of 27 April 2017 resolved to appoint the company PricewaterhouseCoopers S.p.A., with registered office in Milan, Via Monterosa n. 91, registered as auditors with the Ministry of Economy and Finance, to audit the accounts of the Issuer for the financial years 2017-2025.

11.5 Manager responsible for financial reporting and other corporate roles and functions

In compliance with article 21, paragraph 6 of the Articles of Association, on 2 May 2017 the Board – having consulted with the Board of Statutory Auditors – reappointed Mr. Sergio Prati, Administration Manager of the Issuer, as "manager responsible for financial reporting".

Mr. Prati – who has extensive professional experience in administrative and financial matters and complies with the requirements of integrity required for the office – was appointed for the same term of office of the Board (i.e. until approval of the 2019 financial statements).

The director has the power to obtain from the heads of each corporate department any information relevant to carry out his duties, as well as the power to i) structure and organise within his 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, Risk and Sustainability Committee and the Supervisory Body; iv) take part in the design of information systems that have an impact on the economic and financial situation.

The Board, moreover, approved a fee of EUR 45,000, that may be increased upon justified request of the individual in question.

During 2017, the director monitored the functioning of the "control model 262". This model was implemented in 2007 at the Issuer and other main subsidiaries, with a topdown approach, in order to align with significant administrative accounting procedures concerning duties governed by article 154bis of the TUF. The adoption of this model also entails the appointment of specific officers by all group units/functions concerned.

With a view to optimising controls, within the funds 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 of the Issuer's group, according to which tests shall be concentrated in the periods dedicated to the preparation of the Financial Statements and the halfyearly financial report. The outcomes of these tests basically confirmed the correct adoption of the administrative/accounting procedures.

As part of the procedures concerning the "control model 262", the managers of all companies of the Issuer's group forwarded relative statements and certification concerning annual and interim accounting documents.

In compliance with provisions in the "*Guidelines for the Internal Audit and Risk Management System*", the manager reports the findings of his/her activities and checks to the Audit, Risk and Sustainability Committee and to the Board of Directors on a half-yearly basis.

11.6 Coordination between individuals involved in the internal audit and risk management system

As described above, the functions and bodies that make up the Issuer's internal audit system report on the activities carried out in order to comply with their institutional tasks and the related findings, according to the methods and deadlines set out by the related 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. Following these activities, and in order to code coordination rules for relative functions, the Issuer adopted "*Guidelines for the Internal Audit and Risk Management System*".

12.0 DIRECTORS' INTERESTS AND RELATED PARTIES' TRANSACTIONS

Since 1 January 2011 the procedure on transactions with related parties 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 17 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.

The procedure – which is available on the website under the *governance*" section, as well as on Borsa Italiana's website – sets out (i) the amounts that, based on specific materiality indexes, allow to identify transactions of lesser or greater importance; (ii) the transactions that have been excluded and are not subject to the procedure set out for their approval, except for communication obligations towards Consob, if of greater importance; (iii) the transactions carried out by subsidiaries, that shall be subject to approval of the SIAS Board, having consulted with the Audit and Risk Committee. This category includes:

- the acquisition or disposal of real estate whose value is higher than EUR 1 million;
- 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;
- transactions other than those mentioned above, with 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 operating instructions have been promptly notified to the subsidiaries, pursuant to article 2359, paragraph 1, no. 1) of the Civil Code.

Moreover, for the proper management of the procedure, ASTM'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, Risk and Sustainability Committee will issue an opinion on the transactions with related parties, 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.

A new review was carried out in January 2017. Based on the findings, the Board, having obtained the favourable opinion of the Audit and Risk Committee, decided to not substantially revise the procedure, considering it adequate for complying with legal and regulatory provisions.

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 who are appointed by the Shareholders' Meeting.

Pursuant to article 27 of the Articles of Association and in order for a Standing 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. For the purposes of compliance with current legislation on gender balance, 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 that Alternate Auditors.

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: The legal title to the above mentioned shareholding shall be proved according to the methods and time scales set out 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 abovementioned 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 substitute 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 substitute 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 Chairperson 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 legislation on gender balance, the quotient of votes to be attributed to each candidate taken from the Acting Auditor sections of the various lists is calculated, dividend 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 current legislation regarding gender balance.

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

In the event of replacement of an Auditor, the alternate auditor belonging to the same list of the one ceased from office shall be appointed, so as to comply with the provisions applicable from time to time with respect to gender balance, with respect to the composition of the Board of Statutory Auditors. If the above mentioned replacement does not make it possible to comply with the current regulations on gender balance, the Shareholders' Meeting shall be convened as soon as possible so as to comply with such 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 balance.

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

The Board of Statutory Auditors in office since 27 April 2017, was appointed for the 2014-2015-2016 financial years by the Ordinary Shareholders' Meeting of 18 April 2014, based on the following 2 lists:

- list no. 1, representing the majority, submitted by the Shareholder ASTM S.p.A., owning at this date 61.704% of the share capital, consisting of no. 2 candidates to the office of Acting Auditor (Giorgio Cavalitto, Annalisa Donesana) and no. 2 candidates to the office of Alternate Auditors (Pietro Mandirola, Manuela Sorbara);
- list no. 2 (representing the minority) submitted by the Shareholder Assicurazioni Generali S.p.A., owning at this date 3.634% of the share capital, which includes 1 candidate for the office of Acting Auditor (Marco Fazzini) and 1 candidate for the office of Alternate Auditor (Massimo Berni).

The following candidates were therefore voted to the Board of Statutory Auditors: Luigi Rinaldi (Chairman), Giorgio Cavalitto (Acting Auditor), Annalisa Donesana (Acting Auditor) Pietro Mandirola (Acting Auditor), Manuela Sorbara (Acting Auditor) and Nazareno Tiburzi (Acting Auditor).

For further information on the Board of Statutory Auditors in office until 27 April 2017, reference is made to the "2016 Report on corporate governance and ownership structure" available on the Issuer's website, under the *governance* section.

The Board of Statutory Auditors currently in office was appointed by the Ordinary Shareholders' Meeting on 27 April 2017, based on lists filed by Shareholders pursuant to law and the Articles of Association, for the financial years 2017-2018-2019, i.e. until the 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 1.00% of the share capital. Two lists were submitted:

- list no. 1, representing the majority, submitted by the Shareholder ASTM S.p.A., owning 61.695% of the share capital, consisting of 2 candidates to the office of Acting Auditor (Pasquale Formica, Annalisa Donesana) and 2 candidates to the office of Alternate Auditors (Riccardo Bolla, Luisella Bergero);

- list no. 2, representing minorities, submitted by a group of Italian and foreign institutional investors, owning overall 1.641% of the share capital, including 1 candidate to the office of Acting Auditor (Daniela Elvira Bruno) and 1 candidate to the office of Alternate Auditor (Alessandra Pederzoli); upon filing, this list also included the statement certifying that no relations existed with reference shareholders, as set out by the aforementioned regulatory provisions issued by Consob, implementing article 148 of the TUF.

Out of 176,776,840 shares (equal to 77.692% of the share capital with voting rights):

- list no. 1 submitted by ASTM S.p.A. was voted for by 143,570,288 shares (equal to 81.216% of the share capital present and 63.098% of the share capital with voting rights);
- list no. 2 submitted by the minority was voted for by 32,178,579 shares (equal to 18.203% of the share capital present and 14.142% of the share capital with voting rights);
- votes accounting for 33,735 shares were cast against both lists (equal to 0.019% of the share capital present and 0.015% of the share capital with voting rights);
- abstaining votes accounted for 501,162 shares (equal to 0.283% of the share capital present and 0.220% of the share capital with voting rights);
- no votes were cast for 493,076 shares (equal to 0.279% of the share capital present and 0.217% of the share capital with voting rights).

For each voting, the list with the names of the Shareholders and their votes is included in the meeting's minutes of 27 April 2017, which have been published on the Issuer's website under the "governance" section.

The following candidates were therefore voted to the Board of Statutory Auditors:

- from list no. 1 submitted by ASTM S.p.A., the following 4 candidates: Pasquale Formica (Acting Auditor), Annalisa Donesana (Acting Auditor) Riccardo Bolla (Acting Auditor) and Luisella Bergero (Acting Auditor);
- from list no. 2, submitted by the minority, the following 2 candidates: Daniela Elvira Bruno (Chair of the Board of Statutory Auditors) and Alessandra Pederzoli (Acting Auditor);

Some short bibliographical notes on the members of the Board of Statutory Auditors are detailed below. Their full curricula vitae, together with the list to which they belong, are available on the Issuer's website, under the "governance" section:

Daniela Elvira Bruno: born in Bollate (Milan) on 1 October 1969. She was awarded a degree in Economics and Business from Bocconi University, Milan. She works as a chartered accountant and independent statutory auditor and has gained considerable experience in taxation, in particular as regards corporate restructuring, national and international tax planning, tax litigation and opinions on taxation and corporate issues. She holds the following positions in companies: Chairman of the Board of Statutory Auditors of RO.EL.MI Holding S.p.A., Acting Auditor of SVP Europe S.p.A., Acting Auditor of Elopak S.p.A., Acting Auditor of ICR Industrie Cosmetiche Riunite S.p.A., Acting Auditor of Immobiliare Elfin S.p.A., Acting Auditor of Ametech S.r.l., Acting Auditor of Lacto Siero Italia S.p.A., Acting Auditor of Ecommerce Partners S.p.A., Auditor of : Terabel Gienne Pharma S.p.A..

Pasquale Formica: born in Avellino, on 3 June 1979. He was awarded a degree in Economics and Business and works as a chartered accountant and independent statutory auditor. He has gained considerable experience in providing tax, corporate and business advisory services. He is the author of numerous publications in newspapers and the specialist press on taxation. He is an Acting Auditor for Ecogena S.p.A.

Annalisa Donesana: born in Treviglio (Bergamo) on 9 June 1966. She was awarded a degree in Economics and Business from Bocconi University, Milan. She works as a chartered accountant and independent statutory auditor. She 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. She holds the following positions in companies: 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 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., Alternate Auditor of A2A Energy Solutions S.r.l., Alternate Auditor of ASTM S.p.A..

Luisella Bergero: born in Savona on 5 September 1971. She was awarded a degree in Economics and Business from Genoa University. She works as a chartered accountant and independent statutory auditor and is a specialist in law and taxation. She has written numerous scientific articles for magazines of the Il Sole 24 Ore Group, on accounting, finance and control and guides on accounting and financial statements. She holds the following positions in companies: Chairman of the Board of Auditors of ERG Power S.r.l., Acting Auditor of Cosulich International S.r.l., Acting Auditor of ERG Power Generation S.p.A., Acting Auditor of ERG Hydro S.r.l., Acting Auditor and statutory auditor of ERG Solar Holding 1, Acting auditor and statutory auditor of I.P.S. Insedimenti Produttivi Savonesi s.c.p.a., Sole Auditor and statutory auditor of CABUR S.r.l., Acting Auditor of ERG S.p.A., Acting Auditor of Fratelli Cosulich S.p.A., Acting Auditor of Express S.r.l..

Riccardo Bolla: born in Savona, on 26 February 1966. He was awarded a degree in Economics and Business from Cattolica University, Milan. He works as a chartered accountant and independent statutory auditor and is registered with the Ministry of Economic Development as a Liquidator and with the Ministry of the Interior as a statutory auditor of local authorities. He has gained considerable experience in tax planning, the revision of banks and industrial companies, tax litigation and consulting activities for listed companies concerning issues with international standards, corporate disclosure and listings. She holds the following positions in companies: Chairman of the Board of Statutory Auditors of Cavanna S.p.A., Chairman of the Board of Statutory Auditors of Cosulich International S.r.l., Chairman of the Board of Statutory Auditors of Fratelli Cosulich S.p.A., Chairman of the Board of Statutory Auditors of Interporto Vado Vio S.p.A., Chairman of the Board of Statutory Auditors of TPL Linea S.r.l., Chairman of the Board of Statutory Auditors of IGLI S.p.A., Chairman of the Board of Statutory Auditors of Sirti Energia S.p.A., Chairman of the Board of Statutory Auditors of Ester Capital S.r.l., Chairman of the Board of Statutory Auditors of Axia.Re S.p.A., Chairman of the Board of Statutory Auditors of Fondazione A. De Mari, Acting Auditor of A.d.F. S.p.A., Acting Auditor of Carestream Health Italia S.r.l., Acting Auditor of COS S.r.l., Acting Auditor of Link Industries S.p.A., Acting Auditor and statutory auditor of Società Servizi Generali del

Porto di Savona Vado S.r.l., Acting Auditor and statutory auditor of Express S.r.l., Acting Auditor and statutory auditor of Logistica Tirrenica S.p.A., Acting Auditor and statutory auditor of Vetreco S.r.l., Acting Auditor and statutory auditor of Cosco Shipping Lines (Italy) S.r.l.; Sole auditor: Eco Glass S.r.l., Nuova Foce S.r.l., Sole auditor of Fondazione Edoardo Garrone, Sole auditor of Rotary Savona, Sole auditor of the Local Authorities of Rapallo; Alternate Auditor of Santander Private Banking S.p.A. in liquidation, Alternate Auditor of Four Jolly S.p.A., Alternate Auditor of Scarpe & Scarpe S.p.A., Alternate Auditor of Sagi Holding S.p.A., Director of Genoa University.

Alessandra Pederzoli: Born in Mirandola (Modena) on 8 July 1974. She was awarded a degree in Economics and Business from Modena University and works as a chartered accountant and independent statutory auditor. She is a temporary lecturer at the University of Modena and Reggio. She is the author of various publications on accounting, finance and control. She holds the following positions in companies: Chairman of the Board of Statutory Auditors of Ichnusa Gas S.p.A., Chairman of the Board of Statutory Auditors of Tea Acque S.r.l., Chairman of the Board of Statutory Auditors of A.B.L. S.p.A., Chairman of the Board of Statutory Auditors of Trigano S.p.A., Chairman of the Board of Statutory Auditors of S.E.A. Società Europea Autocaravan S.p.A., Chairman of the Board of Statutory Auditors of Trigano Van S.r.l.; Acting Auditor of Sanfelice 1893, Acting Auditor of Banca Popolare s.c.p.a., Acting Auditor of AEC Costruzioni S.r.l., Acting Auditor of Marigliano Gas S.r.l., Acting Auditor of Proliber S.r.l., Acting Auditor of Sorgea S.r.l.; Alternate Auditor of CMF Technology S.p.A., Alternate Auditor of Fincedi Lazio S.p.A., Alternate Auditor of Santacruz S.r.l., Statutory Auditor of Geovest S.r.l., Sole Auditor of Tred Carpi S.r.l., Sole Auditor of Arca Camper S.r.l..

Table 3 (included in the Appendix) provides a summary of the data concerning the Board of Statutory Auditors.

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.

During 2017, the Board of Statutory Auditors in office until 27 April 2017, held 10 meetings, with all members present.

The Board of Statutory Auditors in office as from 27 April 2017 held 13 meetings during 2017, with all members present.

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 2018; seven meetings have been held since the beginning of the 2018 financial year.

Possession of the independence requirements provided for by the Code (stated at the same time as submission of the lists, upon acceptance of the candidature), was positively ascertained after the renewal, both by the Board of Statutory Auditors and by the Board of Directors', as well as during the annual assessment performed on 14 March 2018.

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 Code.

The Board of Statutory Auditors monitored the independence of the Independent Auditors by assessing the nature and extent of the services other than audit services provided to the Issuer and its subsidiaries; the outcomes of these assessments were notified in the annual report to the Shareholders' Meeting pursuant to article 153 of the TUF. The Board of Statutory Auditors, as part of its functions pursuant to Legislative Decree 39/2010 approved the "*Procedure for the approval of services to assign to the independent auditors and its network*" in 2017, which sets out, in compliance with applicable laws, the limits and conditions of services other than auditing, to be provided by the statutory auditors. Specifically, the aim of this procedure is to: (i) regulate the assignment of some types of services to the independent auditors and its network; (ii) safeguard the independence of the entity appointed to audit the accounts; (iii) achieve the efficient, orderly planning of activities carried out by the Internal Control and Audit Committee, in authorisation processes and the corporate organisation of the Issuer.

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 Body (of which Auditor Annalisa Donesana is a member, as mentioned above) and by taking part in the meetings of the Audit, Risk and Sustainability Committee and the Remuneration Committee (also in its capacity as Related Parties' Committee).

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". This site includes, among others, a profile of the Issuer's group, as well as the financial statements, the half-yearly financial report, the interim management reports of the Issuer, the articles of association, the regulations for shareholders' meetings, press releases and reports on issues discussed at the Shareholders' Meetings, including notices convening the meetings and related minutes.

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

In any case, the Chairperson and the Managing Director in compliance with the procedure concerning the disclosure of documents and information on the Issuer have taken 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 and taking into account the principles contained in the "*Guidelines for disclosure of information to the market*", 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, by means of both personal and institutional meetings with investors and analysts, both in Italy and abroad.

The investor relations' officer, Giuseppe Agogliati , may be contacted at the following email address: investor.relations@grupposias.it.

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

16.0 SHAREHOLDERS' MEETINGS (pursuant to article 123-bis, paragraph 2(c) of the TUF)

In view of the Articles of Association and applicable laws and regulations, entities who 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 Chairperson shall ascertain the validity of proxies.

The electronic notification of the proxy shall 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 Chairperson of the Board of Directors. In case of absence or impediment, the meeting is chaired by a Deputy Chairperson or, if both are absent, by another person appointed by the Meeting.

The Chairperson 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 Chairperson of the Meeting, the minutes are prepared by a Notary Public appointed by the Chairperson. 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

In June 2002, the Issuer adopted the Regulations for Shareholders' Meetings in line with the model issued by ABI and Assonime to enable the orderly and proper functioning of meetings.

On 15 November 2010, upon proposal of the Board and in line with the provisions contained in the Articles of Association, the Ordinary Shareholders' Meeting approved aligning the regulations on its functioning with Legislative Decree no. 27 of 27 January 2010 with regard to the exercise of some rights of listed companies.

More specifically, the aforementioned Regulations govern the operating methods for the Meeting's activities and the exercise of participants' rights. In this regard, the Chairperson opens the discussion and calls those members who requested to speak according to a priority order; if necessary, the Chairperson may decide that speeches shall be booked in writing, with indication of the subject.

After having provided any personal detail and the number of votes represented each person who is entitled to take part in the meeting has the right to report on each of the issues on the agenda and make observations, as well as 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 Chairperson 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 (under the "governance" section).

Information to 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 Chairperson and the Managing Director strive 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.

9 Directors took part in the Annual General Meeting held on 27 April 2017.

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 SIAS security.

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

No further corporate governance policies are reported 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

The Issuer's governance structure has not changed since the end of the reporting period.

19.0 CONSIDERATIONS ON THE LETTER OF 13 DECEMBER 2017 OF THE CHAIRMAN OF THE CORPORATE GOVERNANCE COMMITTEE

In December 2017, the Chairman of the Board of Directors, the Managing Director 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 “*2017 Report on developments in corporate governance*” of listed companies. This letter was then disclosed to the Board and Board of Statutory Auditors during the board meetings of 22 January and 14 March 2018. As regards Committee recommendations, the Board made the following considerations:

- as regards recommendations on information given prior to board meetings, the evaluation of independence requirements, board review activities and clawback clauses, the Board considered the Issuer as being compliant and therefore did not take any further measures in these areas;
- as regards other areas for improvement suggested, and in particular the establishment of an Appointments Committee and the adoption of succession plans, the Board did not consider it necessary to take measures, for the reasons already indicated in the Report in Paragraphs 7 and 4.1.

(This page intentionally left blank)

TABLES

TABLE 1: INFORMATION ON OWNERSHIP STRUCTURE AT 14 MARCH 2018

SHARE CAPITAL STRUCTURE				
	No. of shares	% of share capital	Listed	Rights and obligations
Ordinary shares	227,542,156	100	MTA (FTSE Italia Mid Cap Index)	
Shares with more than one vote	=	=	=	=
Shares with limited voting right	=	=	=	=
Shares without voting right	=	=	=	=
Other	=	=	=	=

SIGNIFICANT EQUITY INVESTMENTS IN THE SHARE CAPITAL				
Declarant	Direct shareholder	% share of ordinary share capital	% share of voting share capital	
Aurelia S.r.l.	Aurelia S.r.l.	6.844	6.844	6.844
	Argo Finanziaria S.p.A. Unipersonale	0.155	0.155	0.155
	Astrm S.p.A. (listed company)	61.693	61.693	61.693
	SINA S.p.A. ⁽¹⁾	1.718	1.718	1.718
	Total Group	70.410	70.410	70.410

⁽¹⁾ Subsidiary of ASTIM S.p.A.

TABLE 2.1: STRUCTURE OF THE BOARD OF DIRECTORS AND COMMITTEES UP TO 27 APRIL 2017

Board of Directors																						
Office	Members	Year of birth	Date of first appointment	In office from	In office until	List **	Exec.	Non-exec.	Independent pursuant to the Code	Independent pursuant to TUF	No. of other offices ***	(*)	Audit and Risk Committee	Remuneration Committee								
												(*)	(*)	(**)	(*)	(**)						
01) Chairperson	S. BARIATTI	1956	01/08/2013	18/04/2014	Approval of 2016 Financial Statements	M	x				1	4/4										
02) Deputy Chairperson	D. GAVIO	1958	08/02/2002	18/04/2014	Approval of 2016 Financial Statements	M	x				=	4/4										
03) Managing Director ◊	P. PIERANTONI	1956	08/02/2002	18/04/2014	Approval of 2016 Financial Statements	M	x				3.5	4/4										
04) Director	G. ANGIONI	1941	31/07/2007	18/04/2014	Approval of 2016 Financial Statements	M	x	x	x	x	1	4/4	4/4	P								
05) Director	S. CASELLI	1969	27/04/2011	18/04/2014	Approval of 2016 Financial Statements	m	x	x	x	x	4	3/4	3/4	M								
06) Director •	S. DELLA GATTA	1963	16/09/2015	16/09/2015	Approval of 2016 Financial Statements	M	x				2.5	4/4										
07) Director	B. GAVIO	1965	08/05/2003	18/04/2014	Approval of 2016 Financial Statements	M	x				1.5	4/4										
08) Director	M. LEO	1955	18/04/2014	18/04/2014	Approval of 2016 Financial Statements	M	x	x	x	x	1	3/4										
09) Director	L. MATTIOLI	1967	18/04/2014	18/04/2014	Approval of 2016 Financial Statements	m	x	x	x	x	5	2/4			2/3	M						
10) Director	A. PELLEGRINI	1964	18/04/2014	18/04/2014	Approval of 2016 Financial Statements	M	x	x	x	x	3	3/4	4/4	M								
11) Director	F. PIANTINI	1953	07/05/2004	18/04/2014	Approval of 2016 Financial Statements	M	x	x	x	x	=	4/4			3/3	M						
12) Director	G. QUAGLIA	1947	21/02/2013	18/04/2014	Approval of 2016 Financial Statements	M	x				5.5	4/4										
13) Director	A. SEGNI	1965	18/04/2014	18/04/2014	Approval of 2016 Financial Statements	m	x	x	x	x	2	4/4			3/3	P						
14) Director	C. VEZZOSI	1962	05/11/2015	05/11/2015	Approval of 2016 Financial Statements	M	x	x			3.5	3/4										
							Board of Directors: 4							Audit and Risk Committee: 4			Remuneration Committee: 3					
Number of meetings held during FY 2017 until 27/04/2017														Board of Directors: 4			Audit and Risk Committee: 4			Remuneration Committee: 3		

Quorum required in order for minorities to submit lists for the appointment of one or several members (pursuant to article 147-ter of the TUF): 1%

NOTES

- 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 (Managing Director 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).
- *** Based on the data recorded in January 2017, with reference to the "Report on corporate governance and ownership structure" for the FY 2016, to which we refer you for a comprehensive list of the aforementioned offices.
- (*) This column shows the Directors' attendance to the meetings of the Board of Directors and the Committees, respectively. (no. of attendances/no. of meetings held during the actual term in office of the individual in question).
- (**) This column shows the Director's office in the Committee: "C": Chairperson; "M": Member.

TABLE 2.2: STRUCTURE OF THE BOARD OF DIRECTORS AND COMMITTEES UP TO 27 APRIL 2017

Board of Directors														Audit, Risk and Sustainability Committee		Remuneration Committee			
Office	Members	Year of birth	Date of first appointment	In office from	In office until	List **	Exec.	Non-exec.	Independent pursuant to the Code	Independent pursuant to TUF	No. of other offices ***	(*)	(**)	(*)	(**)	(*)	(**)		
01) Chairperson	BARIATTI S.	1956	01/08/2013	27/04/2017	Approval of 2019 Financial Statements	M		X			1	8/8							
02) Deputy Chairperson	GAVIO D.	1958	08/02/2002	27/04/2017	Approval of 2019 Financial Statements	M	X				=	8/8							
03) Managing Director ♦	P. PIERANTONI	1956	08/02/2002	27/04/2017	Approval of 2019 Financial Statements	M	X				3.5	8/8							
04) Director	G. ANGIONI	1941	31/07/2007	27/04/2017	Approval of 2019 Financial Statements	M		X	X	X	=	8/8							
05) Director	S. CASELLI	1969	27/04/2011	27/04/2017	Approval of 2019 Financial Statements	M		X	X	X	4	6/8	6/9	M					
06) Director	S. DE LUCA	1950	27/04/2017	27/04/2017	Approval of 2019 Financial Statements	m		X	X	X	=	8/8	7/8	M					
07) Director	B. GAVIO	1965	08/05/2003	27/04/2017	Approval of 2019 Financial Statements	M	X				1.5	7/8							
08) Director	E. GANDOSI	1956	27/04/2017	27/04/2017	Approval of 2019 Financial Statements	M		X	X	X	1	8/8							
09) Director	L. MATTIOLI	1967	18/04/2014	27/04/2017	Approval of 2019 Financial Statements	M		X	X	X	5	3/8				1/4	M		
10) Director	A. PELLEGRINI	1964	18/04/2014	27/04/2017	Approval of 2019 Financial Statements	M		X	X	X	3	8/8	9/9	P					
11) Director	F. PIANTINI	1953	07/05/2004	27/04/2017	Approval of 2019 Financial Statements	M		X			6.5	6/8							
12) Director	G. QUAGLIA	1947	21/02/2013	27/04/2017	Approval of 2019 Financial Statements	M	X				4.5	8/8							
13) Director	A. SEGNI	1965	18/04/2014	27/04/2017	Approval of 2019 Financial Statements	M		X	X	X	2	7/8				4/4	P		
14) Director	P. SIMIONI	1970	27/04/2017	27/04/2017	Approval of 2019 Financial Statements	m		X	X	X	2	5/8							
15) Director	S. KUNST	1966	27/04/2017	27/04/2017	Approval of 2019 Financial Statements	m		X	X	X	=	8/8				4/4	M		
						Board of Directors: 8			Audit, Risk and Sustainability Committee: 9			Remuneration Committee: 4							
						Number of meetings held during FY 2017 after 27/04/2017													
						Quorum required in order for minorities to submit lists for the appointment of one or several members (pursuant to article 147-ter TUF): 1%													
NOTES																			
• 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 (Managing Director 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).																			
*** 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, based on the data recorded in January 2018, with reference to the calculation parameters and criteria set out by the "procedure on the limitation on total mandates" adopted by the Issuer.																			
(*) This column shows the Directors' attendance to the meetings of the Board of Directors and the Committees, respectively, (no. of attendances/no. of meetings held during the actual term in office of the individual in question).																			
(**) This column shows the Director's office in the Committee: "C": Chairperson; "M": Member.																			

OFFICERS 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.

Director	Company	Office
Stefania Bariatti	ASTM S.p.A. ⁽¹⁾ Banca Monte dei Paschi di Siena	Director Chairperson
DANIELA GAVIO	Aurelia s.r.l. ⁽¹⁾ ASTM S.p.A. ⁽¹⁾ Società Autostrada Torino-Alessandria-Placenza S.p.A. ⁽²⁾ Società Autostrada Ligure Toscana S.p.A. ⁽²⁾	Director Vice Chair Vice Chair Acting Deputy-Chairperson and Member of the Executive Committee
Paolo Pierantoni	Cassa di Risparmio della Spezia S.p.A. Tangenziale Esterna S.p.A. Ecorodovias Infrastruttura e Logistica S.A. Primav Infrastruttura S.A.	Director Director Director Director
Stefano Caselli	Generali Real Estate SGR S.p.A. Santander Consumer Bank S.p.A. Banca PSA S.p.A. EPS Equita PEP SPAC S.p.A.	Director Acting auditor Acting auditor Director
Beniamino Gavio	Aurelia s.r.l. ⁽¹⁾ ASTM S.p.A. ⁽¹⁾ Ecorodovias Infrastruttura e Logistica S.A. Primav Infrastruttura S.A.	Chairperson Director Director Chairperson
Licia Mattioli	Mattioli S.p.A. Pininfarina S.p.A. ICE Invitalia Global Investment	Managing Director Director Director Director
Andrea Pellegrini	Maire Technimont S.p.A. Idea Capital Funds SGR S.p.A. Italian Hospitality Collection S.p.A.	Director Director Vice Chair
F. Piantini	CIDI International SA CIDI S.r.l. 450 West LTD Roundpizza LTD PdI LTD SIF S.r.l. Architects S.r.l.	Director Vice Chair Chairperson Chairperson Chairperson Chairperson Director
GIOVANNI QUAGLIA	Fondazione CRT OGR-CRT s.c.p.a. REAM SGR S.p.A. Venchi S.p.A. Bus Company S.r.l.	Chairperson Chairperson Chairperson Acting auditor Director
Antonio Segni	B4 Investimenti SGR S.p.A. Ambienta SGR S.p.A.	Chairperson Chairperson
Edda Gandossi:	Ecorodovias Infrastruttura e Logistica S.A.	Alternate Director
Paolo Simioni	ATAC S.p.A. I.C.T.I. S.p.A.	Chairperson and General Manager Director

⁽¹⁾ Issuer's parent company.

⁽²⁾ Issuer's subsidiary.

TABLE 3.1: STRUCTURE OF THE BOARD OF STATUTORY AUDITORS IN OFFICE UP TO 27 APRIL 2017

Board of Statutory Auditors									
Office	Members	Year of birth	Date of first appointment *	In office since	In office until	List **	Independence pursuant to the Code	Attendance to Board of Statutory Auditors' Meetings **	Number of other offices ****
Chairperson	L. RINALDI	1959	27/04/2011	18/04/2014	Approval of 2016 Financial Statements	m	x	10/10	8
Acting auditor	G. CAVALITTO	1960	12/05/2008	18/04/2014	Approval of 2016 Financial Statements	M	x	10/10	15
Acting auditor	A. DONESANA	1966	18/04/2014	18/04/2014	Approval of 2016 Financial Statements	M	x	10/10	7
Alternate auditor	P. MANDIROLA	1939	08/02/2002	18/04/2014	Approval of 2016 Financial Statements	M	x		30
Alternate auditor	M. SORBARA	1977	18/04/2014	18/04/2014	Approval of 2016 Financial Statements	M	x		5
Alternate auditor	N. TIBURZI	1958	12/05/2008	18/04/2014	Approval of 2016 Financial Statements	m	x		=
Number of meetings held during FY 2017 until 27/04/2017: 10									
Quorum required in order for minorities to submit lists for the appointment of one or several members (pursuant to article 148 TUF): 1%									
NOTES									
* 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 Auditors' attendance to the meetings of the Board of Statutory auditors (no. of attendances/no. of meetings held during the actual term in office of the individual in question).									
**** This column shows the number of positions as Director or Auditor held by the person which are relevant for the purposes of article 148-bis of the TUF. The complete list of positions 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 Consob Resolution no. 18079 of 20 January 2012 to the Consob Issuer 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 2017 directly with the interested parties for the "report on corporate governance and ownership structure" referred to FY 2016, to which reference is made for a complete list of positions.									

TABLE 3.2: STRUCTURE OF THE BOARD OF STATUTORY AUDITORS IN OFFICE UP TO 27 APRIL 2017

Board of Statutory Auditors									
Office	Members	Year of birth	Date of first appointment *	In office since	In office until	List **	Independence pursuant to the Code	Attendance to Board of Statutory Auditors' Meetings **	Number of other offices ****
Chairperson	D. BRUNO	1969	27/04/2017	27/04/2017	Approval of 2019 Financial Statements	m	x	13/13	9
Acting auditor	P. FORMICA	1979	27/04/2017	27/04/2017	Approval of 2019 Financial Statements	M	x	13/13	2
Acting auditor	DONESANA A.	1966	18/04/2014	27/04/2017	Approval of 2019 Financial Statements	M	x	13/13	10
Alternate auditor	L. BERGERO	1971	27/04/2017	27/04/2017	Approval of 2019 Financial Statements	M	x		11
Alternate auditor	R. BOLLA	1966	27/04/2017	27/04/2017	Approval of 2019 Financial Statements	M	x		29
Alternate auditor	A. PEDERZOLI	1974	27/04/2017	27/04/2017	Approval of 2019 Financial Statements	m	x		17
Number of meetings held during FY 2017 after 27/04/2017: 13									
Quorum required in order for minorities to submit lists for the appointment of one or several members (pursuant to article 148 of the TUF): 1%									
NOTES									
* 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 Auditors' attendance to the meetings of the Board of Statutory auditors (no. of attendances/no. of meetings held during the actual term in office of the individual in question).									
**** This column shows the number of positions as Director or Auditor held by the person which are relevant for the purposes of article 148-bis of the TUF. The complete list of positions 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 Consob Resolution no. 18079 of 20 January 2012 to the Consob Issuer 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 2018 directly 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), TUF.

1) Foreword

As already pointed out in the "Report on corporate governance and ownership structure", the internal audit system of SIAS is made up of functions and organisations that – according to their roles and institutional tasks – allow the achievement of the strategic objectives of the Issuer and its 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 (i.e. the Group accounting manual) 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 Internal Audit System 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 the use of the so-called "risk scoring" 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 activity aims at:

- identifying and assessing the origin and probability of major errors in the items of the economic-financial reporting;
- assessing if key controls are adequately defined, so that it is possible to identify – in advance or afterwards – any possible error in the items of the economic financial reporting;
- assessing control operations based on the assessment of error risks for financial reporting, focusing testing on higher risk areas.

The risk assessment 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 so-called "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.

The assessment of controls, if deemed appropriate, may involve the identification of compensating controls, corrective actions or improvement plans.