

REMUNERATION REPORT
2019



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REMUNERATION REPORT 2019

prepared pursuant to article 123-ter of the TUF and article 84-*quater* of the Issuers' Regulation

Approved by the Board of Directors on 27 March 2019

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LETTER FROM THE CHAIR OF THE APPOINTMENTS AND REMUNERATION COMMITTEE

Dear Shareholders

Along with the other members of the Appointments and Remuneration Committee, Antonio Segni and Saskia Kunst, and the Board of Directors, I am pleased to present the “2019 Remuneration Report of SIAS S.p.A.” which, in compliance with applicable laws and in line with best practices, aims to provide the utmost transparency on the quality of the remuneration systems adopted by the Company, sharing our remuneration values and criteria with shareholders and stakeholders alike.

SIAS's good performance in 2018 is encouraging, also as regards the adequacy of the remuneration mechanisms adopted in relation to achieving company objectives.

The Group's ownership structure changed in 2018, with the entry of the Ardian fund, a transaction intended to consolidate the infrastructure sector at both national and international level. In view of development objectives and the current market context, the Board of Directors decided to consolidate industrial oversight at SIAS's top management level, appointing Umberto Tosoni as Managing Director and General Manager, and Paolo Pierantoni as Chair with specific executive powers. This operation, which also contributes to a “gradual” generational change in top management, reflects SIAS's ability to value and retain internal resources that can help the company in its growth.

SIAS's remuneration policy for 2019 maintains its focus on aligning the remuneration of top management with company performance and creating value in the medium-/long-term for shareholders, as well as the need to attract and retain the best resources to meet the challenging goals that have been set. The remuneration policy and approach of the previous year were therefore confirmed, with the intention of aligning remuneration with the company's growth model. In keeping with the above, when defining salary packages, the Committee also considered the recent revision of SIAS's governance model and the strategic and corporate rationale behind this choice. Moreover, as part of incentive schemes, sustainability issues were introduced for the first time. This measure was also in response to institutional investors' increasing focus on these issues and in keeping with the strategic importance that SIAS gives to Corporate Social Responsibility policies.

With reference to annual and long-term incentive schemes accrued in the current year, the Board of Directors may decide whether or not to pay all or part of the bonus in the case of extraordinary and

objective events – that may also have damaged third parties – as ascertained by the Board, which have a serious impact on the Company and/or its reputation and image.

With a view to increasing transparency towards stakeholders and the market, the Report contents are even more comprehensive and easy-to-read, also considering some suggestions for improvement made by leading proxy advisors. Main new features include (i) an initial summary, with a more immediate overview of elements comprising the remuneration system; (ii) information on the peer group considered in analysing external competition, used as support in defining the remuneration policy; (iii) a more detailed description of the structure of variable incentive schemes, with specific indication of the weights of each objective and the introduction of charts showing relative threshold, target and maximum levels.

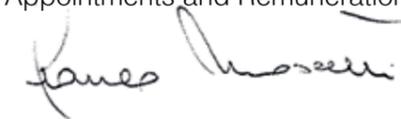
The Committee, recently given the function of appointments committee by the Board, will continue to assist the Company in maintaining a balanced remuneration policy based on merit and encouragement, which is considered essential for meeting the expectations of shareholders and stakeholders.

I would like to thank Licia Mattioli, who held the position prior to me as Committee member, and Antonio Segni, who was the previous Chair of the Committee, for their valuable contributions.

Lastly, I would like to thank you for reading this Report and hope that the changes made this year ensure an even greater compliance with the remuneration policy, also supporting the growth of SIAS.

Franco Moschetti

Chair of the Appointments and Remuneration Committee



INTRODUCTION

The remuneration of directors and, in particular, of those who hold executive offices, is a key incentive and control tool to ensuring the integrity and effectiveness of corporate governance mechanisms. By drafting the Report, SIAS intends increasing shareholders' involvement in the definition of remuneration policies and increasing its transparency on the contents of such policies and their actual implementation (including remuneration systems adopted), allowing for a more accurate evaluation of the Company and facilitating shareholders' exercise of rights on an informed basis.

This Report, prepared pursuant to article 123-ter of the TUF and article 84-quater of the Issuers' Regulation, and in conformity with Annex 3A, Schedule 7-bis and Schedule 7-ter of the Issuers' Regulation, was approved by the Board of Directors of SIAS on 27 March 2019, with the favourable opinion of the Remuneration Committee and after consulting with the Board of Statutory Auditors.

Through the definition of the Remuneration Policy, SIAS identifies the principles and guidelines that enable it to establish the policy and monitor its implementation with respect to Board Directors, the Board of Statutory Auditors, the General Manager,

Key Managers and other key management personnel¹, also providing visibility of the choices made as part of any new compensation plans that may be adopted.

The Report comprises the following sections:

- *Section I*, detailing the policy developed by the Company for the remuneration of Board Directors, General Manager and Key Managers, and the tools used for the adoption and implementation of this policy.
- *Section II*, presenting information for each of the items comprising the remuneration of Board Directors, Auditors, General Manager and Key Management Personnel with reference to 2018, analytically breaking down remuneration by SIAS and subsidiaries and associates.

Considering that, in compliance with the provisions of article 123-ter of the TUF, the Shareholders' Meeting convened to approve the 2018 Financial Statements will be asked to vote on Section I of this Report, we propose that you vote in favour of this Section, adopting the resolution detailed at the end of this Report. This resolution is non-binding, but the result of the vote is published. This regulation is aimed at providing full and timely

¹Managers with organisational positions that have a greater impact on the results of the Company and Group may be identified, at the discretion of the Managing Director, as receiving variable remuneration.

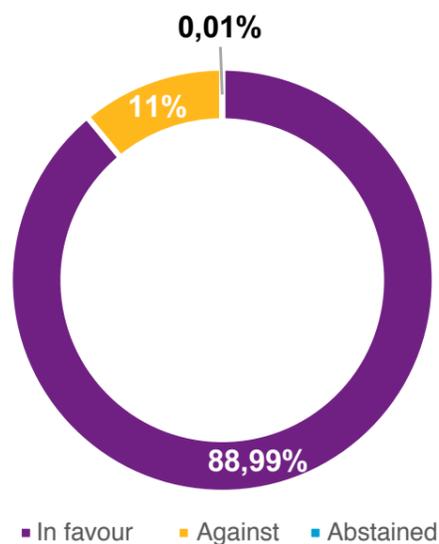
disclosure to the market on the remuneration policy and compensation adopted by the Company.

Pursuant to the Articles of Association, the Shareholders' Meeting has the following duties regarding the Report: (i) appointing and revoking Directors, (ii) appointing Statutory Auditors and the Chair of the Board of Statutory Auditors; (iii) establishing the compensation of Directors and Statutory Auditors; (iv) giving an opinion on Section I of the Report.

Outcome of voting at the shareholders' meeting

With respect to point (iv) above, the outcome of voting on Section I of the 2018 Remuneration Report at the shareholders' meeting (held on 19 April 2018) is given below².

The proposal was approved by the majority with: (i) votes in favour: 176,461,352 (88.99%); (ii) votes against: 21,820,941 (11.00%); (iii) votes abstained: 20,168 (0.01%); (iv) not voting: 0 (0%).



² The percentages below refer to shares represented at the shareholders' meeting.

In compliance with the provisions of article 84-quater, paragraph 4, of the Issuers' Regulation, the Report also details the Directors' and Acting Auditors' equity interests in SIAS and its subsidiaries, as well as those of spouses not legally separated and their children (minors), whether they are held directly or through subsidiaries, trusts or agents.

The Report is available to the public at the Company's head offices in Via Bonzanigo 22, Turin, as well as on the Company's website (www.gruppogas.it) and the authorised storage platform.



REFERENCE STANDARDS

This document has been prepared pursuant to article 123-ter of the TUF, according to which "at least twenty-one days before the date of the shareholders' meeting [...] companies with listed shares will make a remuneration report available to the public, at the company's head offices, on its website or by other procedures established by Consob."

Article 123-ter, paragraph 6 of the TUF states that "the Shareholders' Meeting [...] resolves in favour of or against the Remuneration Report provided for by paragraph 3" (i.e. on Section I of this document).

This resolution is "non-binding," but "the result of the vote is published". This regulation is aimed at providing full and timely disclosure to the market on the remuneration policy and compensation adopted by the Company.

In defining the Remuneration Policy explained in this document, the principles and application criteria in article 6 of the Corporate Governance Code were also taken into account.



GLOSSARY

Appointments and Remuneration Committee or Committee:

The Appointments and Remuneration Committee of SIAS established pursuant to the Corporate Governance Code.

Audit, Risk and Sustainability Committee or CRS Committee:

The committee established pursuant to the Corporate Governance Code which, pursuant to the relative procedure adopted by the Company and in compliance with the Related Parties Regulation, also performs the function of Related Parties Committee.

Board of Directors or Board or BoD:

The Board of Directors of SIAS.

Board of Statutory Auditors:

The Board of Statutory Auditors of SIAS.

Collegio Sindacale:

Il Collegio Sindacale di SIAS.

Chair:

The Chair of the Board of Directors of SIAS. To date, the position of Chair is held by Paolo Pierantoni.

Compensation Mix:

The combination of remuneration variables, such as the fixed and variable remuneration component.

Corporate Governance Code:

The Corporate Governance Code for listed companies approved in 2018 by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A., which SIAS declared to have adopted pursuant to article 123-bis, paragraph 2(a) of the TUF.

Director of the SCIGR:

The Board Director assigned functions by the Board as Director responsible for the Internal Audit and Risk Management System. To date, Paolo Pierantoni holds the position of Director of the SCIGR.

EBITDA (Earnings before interest, tax, depreciation and amortization):

Also defined as the “gross operating margin” or “GOM”, this is a profitability index that shows the company’s income from normal operations, i.e. gross of any interest (financial management), tax (financial management), depreciation and amortisation. For the purposes of the Report, the aggregate of the Concessions BU and Technology BU includes the discounting effects of the Central Insurance Fund net of non-recurring components and holdings.

Gate condition:

The condition, occurring at the end of each performance period, in the absence of which the bonus is not paid..

General Manager or DG:

The General Manager of SIAS. To date, the position of General Manager is held by Umberto Tosoni.

Group:

Collectively, SIAS and its subsidiaries pursuant to article 93 of the TUF.

Issuers’ Regulation:

The Regulation issued by Consob with resolution no. 11971 of 14 May 1999, on Issuers, as amended.

Key Management Personnel or KMP:

The persons identified by the Board of Directors who, pursuant to the Related Parties Regulation, have the power and responsibility, directly or indirectly, to plan, manage and control the Company’s activities. On 20 March 2019, the Board of Directors appointed the Chief Financial Officer of the Company, Stefano Viviano, as a Key Manager.

Managing Director or MD:

The Board Director given the functions of Managing Director of the Company by the Board. To date, the position of Managing Director is held by Umberto Tosoni.

Net profit:

The profit generated after paying relevant taxes. For the purposes of the Report, this is consolidated, net of non-recurring, financial components.

Operating costs:

The aggregate operating costs of the Concessions BU and Technology BU, net of di (i) non-recurring costs, (ii) concession costs (fees, additional fees, etc.), (iii) capitalised costs; (iv) holding costs.

Performance period:

The time frame based on which the achievement of objectives related to an incentive scheme is assessed.

PFN (Adjusted net financial indebtedness):

The indicator of the net invested capital portion covered by net financial liabilities, determined by “Current and non-current financial liabilities”, net

of “Current financial assets”, “Insurance policies” “Investment Funds”, “Receivables for the takeover value” and “Financial receivables from minimum guaranteed amounts (IFRIC 12)”. For the purposes of the Report, this is “consolidated”.

Related Parties Regulation:

The Regulation issued by Consob with resolution no. 17221 of 12 May 2010, concerning transactions with related parties and subsequent amendments and additions.

Remuneration Policy:

The Remuneration policy of SIAS approved by the Company and described in Section I of this Report.

Report:

This remuneration report drafted pursuant to articles 123-ter of the TUF and article 84-quater of the Issuers’ Regulation.

SCIGR:

The Internal Audit and Risk Management System of the Issuer.

Shareholders’ Meeting:

“The shareholders’ meeting of SIAS S.p.A.

SIAS or Company:

SIAS S.p.A., with registered office in Via Bonzanigo 22, Turin.

Supervisory Board or SB:

The Supervisory Board appointed pursuant to Legislative Decree 231/2001.

TUF:

Legislative Decree no. 58 of 24 February 1998 (Consolidated Law on Finance).

SECTION I

REMUNERATION POLICY

	Purpose	Values	Operating mode	Page
Fixed remuneration	Value the competencies, experience and contribution required of the assigned role.	<p>MD/GM: EUR 680,000.00 gross per annum (including compensation as Director)</p> <p>Chair: EUR 360,000.00 gross per annum (including compensation as Director)</p> <p>KMP: gross annual remuneration defined for each level over a relative remuneration interval position on median market levels.</p>	<p>The fixed component is commensurate with the responsibilities and competencies linked to the office held. Main market practices for comparable positions are periodically monitored, to guarantee that remuneration offered to top management positions is consistent and competitive.</p>	23
Variable, short-term remuneration	Promote the achievement of qualitative/quantitative objectives, guiding and motivating management actions	<p>MD/GM: Basic bonus EUR 200,000.00 (equal to 29.41% of fixed remuneration). Maximum bonus that may be accrued EUR 250,000.00 (equal to 36.76% of fixed remuneration).</p> <p>Chair: Basic bonus: EUR 200,000.00 (equal to 55.55% of fixed remuneration). Maximum bonus that may be accrued: EUR 240,000.00 (equal to 66.66% of fixed remuneration).</p> <p>KMP: Basic bonus: equal to 45.45% of fixed remuneration. Maximum bonus that may be accrued: equal to 59.09% of fixed remuneration.</p>	<p>The plan is annual, with a monetary bonus that accrues. Accrual of the bonus is subject to a Gate Condition being met (if this condition is not met, no bonus is accrued – on/off structure), and some performance objectives being met, each of which has a relative weight (the sum of weights assigned to various objectives is equal to 100% the bonus assigned to the beneficiary). Objectives may be:</p> <ul style="list-style-type: none"> ■ quantitative (economic/financial): measurable based on quantitative indicators and achievable with different result levels. The amount of the bonus accrued for each quantitative objective will vary depending on the result level achieved, which is between a "threshold" and a "maximum" established in advance based on the target objective. The bonus accrued in relation to each objective may not in any case exceed 150% of the basic bonus established for the objective ("cap"); ■ qualitative (project/strategic) objectives: non-measurable, based on quantitative indicators, structured as "on/off" objectives. The bonus for each qualitative objective accrues when the objective is achieved, without any change (there are no "threshold" or "maximum" result levels). <p>MBO 2019 Gate condition: Operating costs Objectives:</p> <ul style="list-style-type: none"> ■ MD/GM: EBITDA (weight 50%) and qualitative objectives in strategic, sustainability and risk management areas (weight 50%) ■ Chair: EBITDA (weight 40%) and qualitative objectives in sustainability and corporate governance areas (weight 60%) ■ KMP: the individual objectives established based on the structure indicated for the MD/DG in relation to assigned responsibilities. 	24
Variable, long-term remuneration	Promote the achievement of economic results in line with the Company's industrial plan, encouraging loyalty and engagement of resources.	<p>MD/GM: Basic bonus EUR 200,000 (equal to 29.41% of fixed remuneration). Maximum bonus EUR 300,000 (equal to 44.11% of fixed remuneration).</p> <p>KMP: Basic bonus: equal to 45.45% of fixed remuneration. Maximum bonus that may be accrued: equal to 68.18% of fixed remuneration.</p>	<p>This is a rolling plan, based on three, three-year cycles, with the accrual of a monetary bonus; the Board may convert all or part of the bonus accrued into SIAS shares (in this case, 40% of the assigned shares are subject to a lock-up period of one year). Accrual of the bonus is subject to a Gate Condition being met, as well as some quantitative objectives; the mechanism is the same as that described for the short-term incentive scheme. The Performance Period corresponds to three years (1 January of the first year of the cycle to 31 December of the third year of the cycle).</p> <p>LTI 2019-2021 Gate condition: EBITDA Objectives:</p> <ul style="list-style-type: none"> ■ MD/GM: EBITDA (weight 60%) and PFN/EBITDA ratio (weight 40%) ■ KMP: the individual objectives established based on the structure indicated for the MD/DG in relation to assigned responsibilities. 	27



PROCEDURES FOR POLICY ADOPTION AND IMPLEMENTATION

Bodies or individuals involved in the preparation, approval and implementation of the Remuneration Policy

The remuneration policy for Directors with particular positions, for the General Manager and Key Management Personnel is proposed by the Appointments and Remuneration Committee and adopted as decided by the Board of Directors.

As part of this process, the Board and Committee are assisted by contributions and opinions from the Board of Statutory Auditors, and also from

the Audit, Risk and Sustainability Committee, if requirements pursuant to the procedure on related party transactions adopted by the Company in compliance with the Related Parties Regulation are met.

The company functions Organisation and Key People Management, Corporate Affairs and Compliance and Budget and Control are also involved.

The Shareholders' Meeting is responsible for determining the annual compensation of Directors.

Individual to be remunerated	Decision-making body	Organo propositivo
Directors	Shareholders' Meeting	---
Directors that do not hold specific offices	Board of Directors	Appointments and Remuneration Committee
General Manager	Board of Directors	Appointments and Remuneration Committee
Key Manager	Board of Directors	Appointments and Remuneration Committee

No Director may take part in discussions or decisions of the Committee and/or Board in which proposals for their remuneration are made.

The Company's Remuneration Policy is subject to an advisory vote by the Shareholders' Meeting convened pursuant to article 2364 of the Civil Code on an annual basis.

The Appointments and Remuneration Committee is responsible for the correct implementation of the Remuneration Policy.

Role and composition of the Appointments and Remuneration Committee

The Committee consists entirely of non-executive, independent directors³. To date, the Committee comprises the Directors Franco Moschetti (Chair), Saskia Kunst and Antonio Segni⁴. As part of its functions as "remuneration committee" pursuant to the Corporate Governance Code, the Committee:

- puts proposals on the remuneration policy for Directors and Key Management Personnel to the Board;
- periodically assesses the adequacy, overall consistency and actual application of the Remuneration Policy for Directors and Key Management Personnel, using the information provided by the Managing Director;
- submits proposals or expresses 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;

- monitors the implementation of decisions adopted by the Board by assessing, in particular, the achievement of performance objectives.

The Committee meets with the frequency required to fulfil its functions and is duly convened in the presence of at least the majority of its acting members. In particular, the activities of the Committee are expected to take place in implementation of a yearly plan that entails the following stages:

- assessment of the suitability, consistency and actual implementation of the Remuneration Policy implemented in the previous financial year;
- definition of proposals for the Remuneration Policy for the following financial year and performance targets linked to incentive schemes;
- preparation of the Remuneration Report to be submitted to the Shareholders' Meeting, subject to prior approval by the Board of Directors;
- analysis of the outcome of the vote expressed by the Shareholders' Meeting on the Remuneration Policy approved by the Board.

³ Independence is assessed by the Board with reference to principles in the Corporate Governance Code and in article 148, paragraph 3 of the TUF, as envisaged by article 147-ter, paragraph 4 of the TUF.

⁴ As from 14 November 2018, Franco Moschetti has replaced Licia Mattioli as Committee member and Antonio Segni as Chair of the Committee.

By way of example, the activities of the committee as part of the to the annual meetings' schedule were as follows:



During 2018 and the first few months of 2019, the Remuneration Committee, among others: (i) submitted the Report to the Board (to present to the Shareholders' Meeting); (ii) monitored and verified the correct implementation of the Remuneration Policy adopted for 2018.

During 2018, nr. 6 Committee meetings were held. During 2019, up until the date of approval of this Report, 4 Committee meetings have been held. The duration of the meetings depended on the complexity of issues discussed.

No Director took part in the discussions and decisions of the Committee during which proposals for his/her remuneration were submitted to the Board of Directors.

Members of the Board of Statutory Auditors and the Head of the Corporate Affairs and Compliance Function are invited to take part in meetings, as well as other company functions and external consultants if considered necessary or appropriate for the matters to discuss.

The Committee was able to access any information

and corporate functions required to adequately perform its duties. Therefore, given that the Committee used the Company's resources, it was not allocated specific financial resources.

On 14 November 2018, the Board resolved to give the Committee functions as the "appointments committee" pursuant to the Corporate Governance Code.

Input from independent experts

In order to define the Remuneration Policy, market practice and remuneration levels were analysed, as provided by external experts in aggregate format and without specific reference to other companies. In order to draft this Remuneration Policy, the Company was assisted by the independent expert Willis Towers Watson.

REMUNERATION POLICY FOR MEMBERS OF THE BOARD OF DIRECTORS, GENERAL MANAGERS AND KEY MANAGEMENT PERSONNEL

Aims of the remuneration policy and any changes compared to the previous financial year

The aim of the Remuneration Policy is to:

- establish remuneration levels that can: (i) recognise the managerial abilities of the individuals involved and their contribution to corporate growth with respect to their competencies and functions; (ii) attract, retain and motivate individuals with suitable professional profiles and capabilities for the Company;
- align the interests of executive directors with the main objective of medium to long-term value creation for investors;
- ensure the link between managers' remuneration and actual Company annual results;
- promote medium/long-term sustainability, with a specific focus on the interest of all corporate stakeholders.

In light of major recent changes in the Company's and Group's strategy, and of business development initiatives including those on international markets and requests from investors, during the 2017-2018

period, the Company introduced a management incentive system aimed at promoting the achievement of increasingly outstanding results and creating a virtuous link between compensation and business performance. Specifically, (i) an annual incentive system was adopted based on achieving economic/financial and project/strategic objectives, as well as (ii) a long-term incentive scheme that ensures the alignment of managerial behaviour with the objectives of strategic plans.

For 2019, the remuneration policy and approach of the previous year were therefore confirmed, with the intention of aligning remuneration with the company's growth model. In keeping with the above, when defining salary packages, the Committee also considered the recent revision of SIAS's governance model and the strategic and corporate rationale behind this choice. Moreover, as part of incentive schemes for top management, sustainability issues were introduced for the first time. This measure was also in response to institutional investors' increasing focus on these issues and in keeping with the strategic importance that SIAS gives to Corporate Social Responsibility policies.

With reference to annual and long-term incentive schemes accrued in the current year, the Board of Directors may decide whether or not to pay all or part of the bonus in the case of extraordinary and

objective events – that may also have damaged third parties – as ascertained by the Board, which have a serious impact on the Company and/or its reputation and image.

With a view to ensuring even greater transparency for stakeholders and the market, the contents of the Remuneration Policy are even more comprehensive and easy-to-read, taking on board some ideas for improvement suggested by leading proxy advisors. Main new features include (i) an initial summary, with a more immediate overview of elements comprising the remuneration system; (ii) information on the peer group considered in analysing external competition, used as support in defining the remuneration policy; (iii) a more detailed description of the structure of variable incentive schemes, with specific indication of the weights of each objective and the introduction of charts showing relative threshold, target and maximum levels.

Remuneration benchmark

With the assistance of the company Willis Towers Watson and in order to develop a reference panel to use to define remuneration practices for SIAS⁵, 32 European and Italian companies were initially considered and from these, at the end of a fine – tuning process, a peer group of 14 European and Italian companies that are overall comparable with SIAS was identified.

The following criteria were considered in this process:

- the complexity of the company (attributable to Willis Towers Watson’s methodology of classifying roles);
- total revenues

- the total number of employees;
- the segment of activity, with a specific focus on engineering, constructions and utilities;
- regulated markets/markets under concession.

Details of companies used for the remuneration benchmark are as follows:

A2A	Italgas
Acea	Recordati
Ansaldo STS	Snam
Cementir	Terna
Enav	Enagas
Hera	Severn Trent
Iren	United Utility

Description of policies on fixed and variable remuneration components

In light of major recent changes in the Company’s and Group’s strategy, and of business development initiatives including those on international markets and markets with promising opportunities for growth, as well as requests from investors, the Company’s remuneration strategy was fully revised during the 2017 -2018 period. Consequently, current overall remuneration included the following main items: (i) fixed remuneration; (ii) the annual management incentive system; (iii) the long-term managerial incentive system; (iv) benefits.

Specifically, the management incentive system provides for the following:

- both short- and long-term variable remuneration linked to the achievement of specific corporate performance parameters;
- objectives previously established and determined and directly related to the process to define company objectives and sustainability in medium/long-term business growth, also through the synchronisation of these objectives with the development of strategic plans approved by the Company.

As stated, in view of SIAS’s development objectives at national and international level and the current market context, the Board of Directors decided to consolidate industrial oversight at the Company’s top management level, appointing Umberto Tosoni as Managing Director and General Manager, and Paolo Pierantoni as Chair with specific executive powers. In defining the salary packages of the Chair and Managing Director/General Manager, the Committee consider the organisational choice made by the Board and strategic and corporate rationale on which this was based. In particular, it considered: (i) the new structure of authority, giving the Chair powers to supervise internal audit, risk management and risk compliance activities and processes and take part in defining Company strategies; (ii) the aim to pursue a “gradual” generational turnover of top management that values the experience and expertise of Paolo Pierantoni⁶; (iii) the need to define a salary package for the new Managing Director which is motivating and in line with the market. Moreover, as already stated, sustainability objectives were introduced for the first time in top management incentive schemes.

With reference to annual and long-term incentive schemes accrued in the current year, the Board of Directors may decide whether or not to pay all or part of the bonus in the case of extraordinary and objective events – that may also have damaged

third parties – as ascertained by the Board, which have a serious impact on the Company and/or its reputation and image.

Policy followed for the fixed component of remuneration and consistency of the Company’s long-term interests with the risk management policy

The fixed component is commensurate with the responsibilities and competencies linked to the office held by the person in question.

To this end, the Remuneration Policy entails the use of a position assessment process whereby each role is allocated a monetary value that is representative of the complexity of the position and that enables comparison between the remuneration level of the position in question and market compensation for positions with the same level of complexity (external consistency), as well as the assessment of the balance between role complexity and relevant remuneration level within the Company (internal consistency).

The Managing Director and General Manager Umberto Tosoni was assigned a fixed remuneration equal to a total of EUR 680,000.00 gross per annum of which (i) EUR 30,000.00 as Board Director; (ii) EUR 300,000.00 as Managing Director; (iii) EUR 350,000.00 as Executive and General Manager.

The Chair of the Board Paolo Pierantoni was assigned a fixed remuneration equal to a total of EUR 360,000.00 gross per annum of which (i) EUR 30,000.00 as Board Director; (ii) EUR 315,000.00 as Chair with operating powers; (iii) EUR 15,000.00 as Director of the SCIGR.

In addition to the above, the positions are paid attendance fees for each board meeting (EUR

⁵ The peer group was used in particular to define the salary packages of the MD/DG and Chair. In order to define the remuneration of the Vice Chairs, a different peer group was used comprising only Italian companies, in which the position of Vice Chair, although sporadically present in some European companies, was not noted in the foreign companies already selected in previous analyses.

⁶ The term of office of Paolo Pierantoni as Chair will end when the Board’s term of office ends, with the approval of the Financial Statements for the year ending 31 December 2019.

1,000.00 for participation in person and EUR 500.00 for remote participation).

With reference to Key Management Personnel, gross annual remuneration is defined for each level over a relative remuneration interval position on median market levels

Compensation for members of corporate bodies of other companies are reversible to SIAS.

Variable remuneration

The aim of the variable incentive system of SIAS is to ensure the link between managers' remuneration and actual Company performance, in the belief that salary tools based on merit are able to motivate management and encourage retention. In particular, variable remuneration comprises:

- an annual incentive scheme, to promote the achievement of company qualitative/quantitative objectives, guiding and motivating management actions;
- a long-term incentive scheme, to promote the achievement of economic results in line with the Company's industrial plan, promoting resource loyalty and engagement.

Annual incentive scheme

In 2017, an annual incentive scheme for the Managing Director and General Manager was introduced. As the Company CFO has recently been appointed as a Key Manager, the annual incentive scheme has been extended to cover the latter position. For 2019, the incentive scheme has also been extended to the Chair, considering the specific powers assigned by the Board⁷.

The scheme gives beneficiaries a monetary bonus for achieving set economic/financial and project

objectives linked to the Company's strategic priorities. The scheme's main aims are:

- guiding management activities towards the achievement of priority and strategic objectives with a significant impact on corporate business;
- introducing a variable remuneration component, linking it to the performance achieved, in line with corporate performance;
- developing a management culture based on target-oriented performance: planning, management, monitoring and assessment.

As part of the scheme, each target is conceived as a set of results that need to be achieved. In order to act as an effective performance incentive, each target must be: (i) defined in a clear, unambiguous manner; (ii) measured through objective indicators; (iii) ambitious and challenging, but still deemed as achievable; (iv) directly linked to the Company's medium to long-term strategy; (v) defined as part of a set time horizon.

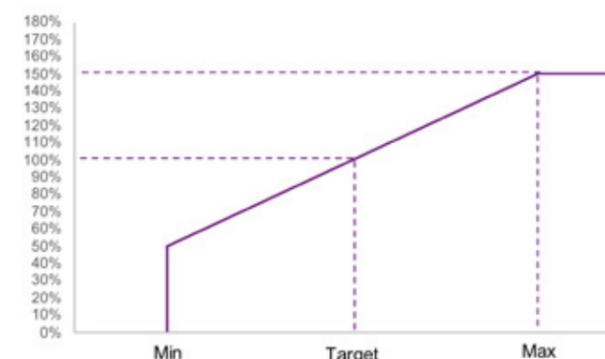
The performance period corresponds to the calendar year (from 1 January to 31 December). The finalisation of individual objectives, for each beneficiary, which is necessary to determine and pay the bonus accrued, takes place after approval of the Company's Consolidated Financial Statements. The Budget and Control, Organisation and Key People Management and Internal Audit functions are involved in checking the achievement of objectives.

Accrual of the bonus is subject to a Gate Condition being met (on/off structure), and some performance objectives being met, each of which has a relative weight (the sum of weights assigned to various objectives is equal to 100% the bonus assigned to the beneficiary).

Quantitative (economic/financial) objectives are measurable through quantitative indicators and achievable with different result levels. The amount of the bonus accrued for each quantitative objective will vary depending on the result level achieved, which is between a "threshold" and a "maximum" established in advance based on the target objective:

- *threshold*: the result level below which no bonus is accrued, and which, if achieved, results in 50% of the basic bonus being accrued;
- *target*: the result level which, if achieved, results in 100% of the basic bonus being accrued;
- *maximum*: the maximum result level achievable ("cap"), which will result in 150% of the basic bonus being accrued.

Results ranging from "between the threshold and target" and "between the target and maximum" will generate a bonus calculated through linear interpolation, as shown on the following incentive curve:



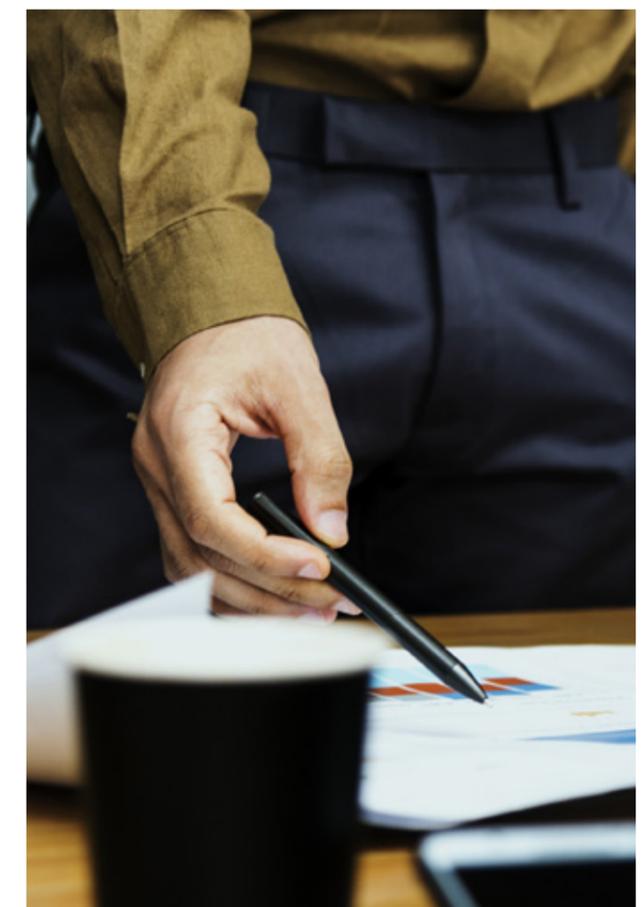
The bonus accrued in relation to each quantitative objective may not in any case exceed 150% of the basic bonus established for the objective ("cap").

Qualitative (project/strategic) objectives are not measurable using quantitative indicators and are structured as "on/off" objectives. The assessment of each qualitative objective being achieved results in the basic bonus being accrued (a "threshold" or "maximum" result level is not envisaged), and

consequently, there is no minimum or maximum bonus).

The bonus actually accrued pursuant to the scheme therefore depends on the extent that individual objectives are achieved (with exclusive reference to the quantitative objectives) and on the weight of the various objectives (quantitative and qualitative). Moreover, (i) if only some objectives are achieved, the bonus will accrue only based on the weight of these latter objectives; (ii) for the purposes of accruing the overall bonus assigned to beneficiaries in accordance with the scheme, at least one economic/financial objective must be reached at, at least, a threshold level.

With reference to 2019, the following bonuses have been assigned.



⁷ On 14 November 2018, the Board assigned powers to Paolo Pierantoni to (i) supervise internal audit, risk management and risk compliance activities and processes, and (ii) participate in the definition of Company strategies. The term of office of the Chair, along with the Board, will end when the Financial Statements for the year ending 31 December 2019 are approved.

Annual bonus assigned to the Chair of the Board of Directors Paolo Pierantoni

Paolo Pierantoni was assigned an annual bonus, the accrual of which is subject to a Gate Condition and some objectives being met:

	Indicator/Type	Weight (%)	Bonus (€)	
Gate condition	Operating costs	---	---	---
Objectives	EBITDA	40	Threshold Target Maximum	40.000 80.000 120.000
	Qualitative objectives in sustainability and corporate governance areas	60	On/off	120.000

The basic bonus in accordance with the plan is therefore equal to EUR 200,000.00 (equal to 55.55% of fixed remuneration). The maximum bonus that may be accrued is equal to EUR 240,000.00 (equal to 66.66% of fixed remuneration).

Annual bonus assigned to the Managing Director and General Manager Umberto Tosoni

Paolo Pierantoni was assigned an annual bonus, the accrual of which is subject to a Gate Condition and some objectives being met:

	Indicator/Type	Weight (%)	Bonus (€)	
Gate condition	Operating costs	---	---	---
Objectives	EBITDA	50	Threshold Target Maximum	50.000 100.000 150.000
	Qualitative objectives in strategic, sustainability and risk management areas	50	On/off	100.000

The basic bonus in accordance with the plan is therefore equal to EUR 200,000.00 (equal to 29.41% of fixed remuneration). The maximum bonus that may be accrued is equal to EUR 250,000.00 (equal to 36.76% of fixed remuneration).

Annual incentive assigned to Key Management Personnel

With reference to Key Management Personnel:

- assigned objectives are based on the structure envisaged for the Managing Director/General Manager in relation to assigned responsibilities.
- the basic bonus is equal to 45.45% of fixed remuneration; the maximum bonus that may be accrued is equal to 59.09% of fixed remuneration.

Additional provisions pursuant to the long-term incentive scheme

Clawback and Malus

In compliance with recommendations in article 6 of the Corporate Governance Code, payment of annual variable remuneration is subject and linked to a so-called clawback (repayment) mechanism. If, at a later time, but within three years from payment of the bonus, the Company's Board of Directors should ascertain that the level of achievement of performance objectives that resulted in the accrual of the aforementioned bonus was calculated on the basis of incorrect or falsified data and the difference between the data used and those rectified was such so as to result, if known at the time, in the non-accrual of the bonus or part thereof, the Board of Directors shall be entitled to ask the beneficiaries, who assume such obligation, to repay an amount up to the entire bonus paid.

Moreover, for incentive schemes accrued in the current year, the Board of Directors may decide whether or not to pay all or part of the bonus in the case of extraordinary and objective events – that may also have damaged third parties – as ascertained by the Board, which have a serious impact on the Company and/or its reputation and image.

The annual incentive scheme does not have mechanisms which defer the portion accrued each year. The decision to not introduce this mechanism is based on an overall assessment made by the Company, considering the following aspects:

- the presence of clawback and malus clauses in the system;
- the presence of a long-term incentive system which guarantees sufficient alignment between

managerial performance and results in the long term;

- the Company's risk profile and business segment.

Long-term incentive scheme

In 2018, a long-term incentive scheme was introduced for the Managing Director, General Manager and Key Management Personnel⁸.

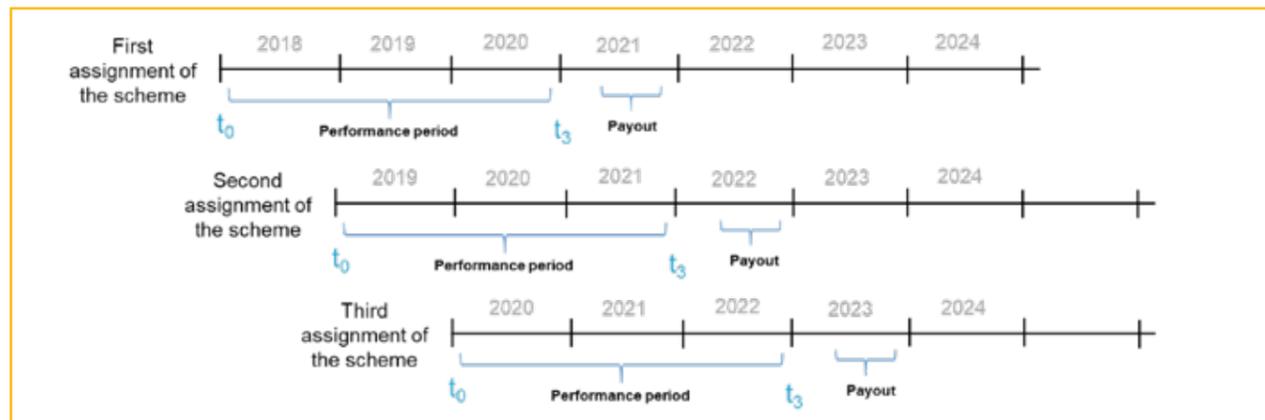
The long-term incentive scheme has the following objectives:

- focus management action towards medium/long-term priority and strategic objectives with a view to sustainable performance;
- align the interests of senior management with those of shareholders;
- consolidate retention policies for managers, introducing further alignment of the remuneration package with market practices.

The plan is a rolling plan, based on three, three-year cycles, in order to: (i) consider the industrial plan which is updated from year to year; (ii) adjust to changes in the company scope (acquisitions, disposals, mergers, demergers) more easily; (iii) allow for new participants to be included/exclude others, each year; (iv) be more responsive to the market culture.

⁸ Pursuant to the Regulation of the scheme, the Managing Director may include further key managers in the scheme, considering the organisational positions that have the greatest impact on the Company's results in the long term.

The scheme time frames are indicated below:



The performance period is three years (1 January of the first year of the cycle to 31 December of the third year of the cycle), so as to reflect long-term objectives and their evolution. The finalisation of objectives, which is necessary to determine the bonus accrued, takes place after approval of the Company's Consolidated Financial Statements relative to the third year of the cycle. The Budget and Control, Organisation and Key People Management and Internal Audit functions are involved in checking the achievement of objectives.

Accrual of the bonus is subject to a Gate Condition being met (on/off structure), and some quantitative performance objectives being met, each of which has a relative weight (the sum of weights assigned to various objectives is equal to 100% the bonus assigned to the beneficiary).

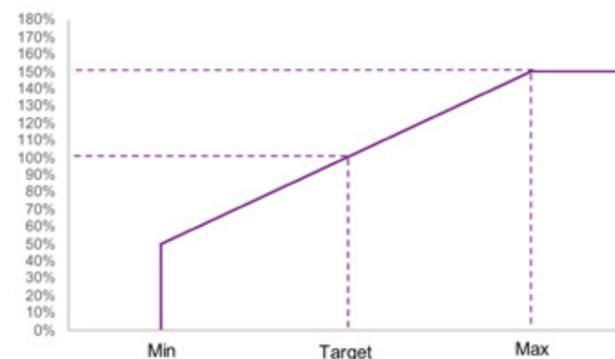
Quantitative (economic/financial) objectives are measurable through quantitative indicators and achievable with different result levels. The amount of the bonus accrued for each quantitative objective will vary depending on the result level achieved, which is between a "threshold" and a "maximum" established in advance based on the target objective:

- *threshold*: the result level below which no bonus is accrued, and which, if achieved, results in

50% of the basic bonus being accrued;

- *target*: the result level which, if achieved, results in 100% of the basic bonus being accrued;
- *maximum*: the maximum result level achievable ("cap"), which will result in 150% of the basic bonus being accrued.

Results ranging from "between the threshold and target" and "between the target and maximum" will generate a bonus calculated through linear interpolation, as shown on the following incentive curve:



The bonus accrued in relation to each quantitative objective may not in any case exceed 150% of the basic bonus established for the objective ("cap").

The bonus actually accrued in accordance with the plan therefore depends on the extent that individual objectives are achieved and on the weight of the various objectives. If only some objectives are achieved, the bonus will accrue only based on the weight of these latter objectives.

Long-term bonuses assigned to the Managing Director and General Manager Umberto Tosoni

In a capacity as Managing Director and General Manager, Umberto Tosoni is a beneficiary of the long-term plan in accordance with the plan LTI 2019-2021 (2nd cycle). The accrual of this bonus is subject to a Gate Condition and some objectives being met indicator:

	Indicator/Type	Weight (%)	Bonus (€)	
Gate condition	Cumulative three-year EBITDA at 31 December 2021	---	---	---
	Cumulative three-year EBITDA at 31 December 2021	60	Threshold	60.000
Objectives			Target	120.000
			Maximum	180.000
	Ratio between the PFN and EBITDA at 31 December 2021	60	Threshold	40.000
			Target	80.000
			Maximum	120.000

The basic bonus in accordance with this cycle is therefore equal to EUR 200,000.00 (equal to 29.41% of fixed remuneration). The maximum bonus that may be accrued is equal to EUR 300,000.00 (equal to 44.11% of fixed remuneration).

Umberto Tosoni was included, as a General Manager, in beneficiaries of the 1st cycle of the LTI scheme (2018-2020). Umberto Tosoni was assigned an annual bonus, the accrual of which is subject to a Gate Condition and some objectives being met:

	Indicator/Type	Weight (%)	Bonus (€)	
Gate condition	Cumulative three-year EBITDA at 31 December 2020	---	---	---
	Cumulative three-year EBITDA at 31 December 2020	60	Threshold	45.000
Objectives			Target	90.000
			Maximum	135.000
	Ratio between the PFN and EBITDA at 31 December 2020	40	Threshold	30.000
			Target	60.000
			Maximum	90.000

The basic bonus in accordance with this cycle is therefore equal to EUR 150,000.00 (equal to 22.05% of fixed remuneration as MD/DG). The maximum bonus that may be accrued is equal to EUR 225,000.00 (equal to 33.08% of fixed remuneration as MD/DG).

Long-term incentives assigned to Key Management Personnel

With reference to Key Management Personnel:

- assigned objectives are based on the structure envisaged for the Managing Director/General Manager in relation to assigned responsibilities.
- the basic bonus is equal to 45.45% of fixed remuneration; the maximum bonus that may be accrued is equal to 68.18% of fixed remuneration.

Additional provisions pursuant to the long-term incentive scheme

Pursuant to the plan regulation, the Board may convert all or part of the bonus accrued into the Company's shares. In this case, 40% of assigned shares are subject to a lock-up period of one year, starting from the date of their delivery.

Clawback and Malus

In compliance with the recommendations in article 6 of the Corporate Governance Code, and subject to the right to claim compensation for further damages, after payment of the bonus, regardless of whether the contract of employment is ongoing or has ended, the Company may request return of the bonus (claw-back) in the case of (i) fraudulent conduct or gross negligence of the beneficiary to the detriment of the Company; (ii) conduct of the beneficiary amounting to wilful or gross misconduct that has caused significant harm to the financial position or performance or reputation of the Company; (iii) payment of the bonus (monetary or share bonus) based on data that are wrong and/or false.

Moreover, with reference to the 2nd cycle of the LTI 2019 plan for future cycles, the Board of Directors may decide whether or not to pay all or part of the bonus in the case of extraordinary and objective events – that may also have damaged third parties – as ascertained by the Board, which have a serious impact on the Company and/or its reputation and image.

If the contract of employment between the beneficiary and the Company ends before the end of the performance period, the beneficiary will not accrue the right to receive the bonus, save for the following cases, in which the bonus is accrued on a pro rata temporis basis (save for the evaluation of the gate condition and the extent to which the performance objectives are achieved): (i) termination of the work position assigned to the Beneficiary; (ii) permanent disability; (iii) death; (iv) retirement; (v) dismissal for just cause (established, in the event of claims, with a final judgement); (vi) withdrawal of the appointment or particular position, not for just cause; (vii) failure to renew the position of the director in the absence of just cause or justified reason; (viii) transfer of the contract of employment or appointment to the position of executive director in a different group company.

Moreover, in the event of termination of employment agreed by both parties, the Board may decide whether to allow accrual of the Bonus on a pro rata temporis basis, save for the evaluation of the gate conditions and the extent to which the performance objectives are achieved.

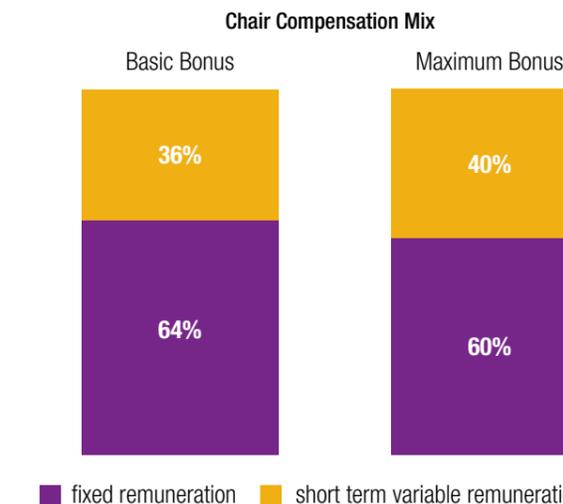


Compensation Mix

As stated previously, in 2019 the Company assigned the MD/DG an annual incentive scheme and three-year incentive scheme (2019-2021) cycle, contributing to the structure of the compensation mix, as indicated below:



In 2019, the Company assigned the Chair an incentive annual scheme, contributing to the structure of the compensation mix, as indicated below:



Forms of discretionary, occasional and non-recurring remuneration

The Remuneration Policy does not envisage the payment of sums as occasional bonuses, or one-off discretionary sums, or for results or performance not already included in the variable components of remuneration.

Non-monetary benefits

The Remuneration Policy does not contemplate the payment of non-monetary benefits, with the exception of any fringe benefits currently envisaged in the remuneration practice and, in any case, consistent with the office/position held (use of corporate cars and employee and family health insurance cover).

Payment in the event of termination of office or termination of the employment relationship

To date, no agreements with Directors, General Managers and Key Management Personnel are in place that provide for indemnities in the event of resignation, termination, dismissal without just cause or termination of the employment relationship following a takeover bid, save for paragraph 2.4 as regards rights to variable components.

As a rule, the Company does not enter into agreements that regulate ex ante the early termination of the employment relationship by either the Company or the individual, without prejudice, in any case, to legal and National Collective Bargaining Agreements' obligations.

Moreover, it should be noted that, to date, SIAS has not entered into any non-competition agreements with its Directors that entail the payment of a sum in relation to the obligation arising from the aforementioned agreement.

Information on the presence of any insurance or social security and pension cover other than statutory cover

The Company has not arranged any insurance, or social security or pension cover other than statutory cover. Within the Group, a directors' and officers' liability insurance (D&O) is in place for events linked to the performance of directors' and officers' duties, except in cases of wrongful misconduct.

Remuneration policy followed for: (i) independent directors, (ii) participation in committees and (iii) performance of specific duties, and (iv) control bodies.

In line with the Remuneration Policy, the Board has decided on the annual remuneration for Board members, until decided otherwise by the Shareholders' Meeting.

Remuneration means any form of payment or benefits given, directly or indirectly in cash, as financial instruments or in kind (fringe benefits) in exchange for the provision of work or professional services, and therefore in accordance with the application criteria of article 6.C.4. of the Corporate Governance Code:

- for independent directors and directors without special duties, the Remuneration Policy of ASTM provides only for fixed remuneration and does not currently envisage variable types of remuneration related to the achievement of specific performance objectives, nor the assignment of shares, options, other financial instruments or other variable components of remuneration;
- No other compensation that differs from that of other members of the Board of Directors is envisaged for independent directors.

The remuneration is deemed sufficient to attract, retain and motivate Board Members equipped with the professional characteristics required to successfully manage the Company.

Compensation for the members of the Audit, Risk and Sustainability Committee was established, upon proposal of the Appointments and Remuneration Committee, by the Board of Directors, after consulting with the Board of Statutory Auditors. Compensation for the Appointments and Remuneration Committee was approved by the Board of Directors, after consulting with the Board of Statutory Auditors, given that the Committee had deemed not to submit any direct proposal on the matter.

Compensation for the Chair and Vice Chair is established, on proposal of the Appointments and Remuneration Committee, by the Board of Directors, after consulting with the Board of Statutory Auditors.

Where required by the procedure on related party transactions adopted by the Company and in compliance with the Regulation on Related Parties, the Audit, Risk and Sustainability Committee expresses a positive opinion on the remuneration proposals made by the Appointments and Remuneration Committee.

Details of compensation paid to directors are given below.

Board Directors

EUR 30,000.00 gross per annum for each Member (established by the Shareholders' Meeting)

Independent Directors

Only the compensation established by the Shareholders' Meeting for Board Directors (save for participation in committees)

Members of the Audit, Risk and Sustainability Committee and the Appointments and Remuneration Committee

- EUR 15,000.00 for the Chair of each committee
- EUR 10,000.00 for the other members of each committee;

In addition, compensation received as Board Director is also received.

Chair

- EUR 315,000.00 gross per annum, of which (i) EUR 200,000.00 determined by the Shareholders' Meeting and (ii) EUR 115,000.00 determined by the Board based on executive powers assigned;
- an annual variable component (MBO) with a basic bonus equal to EUR 200,000.00;

Ai suddetti compensi vanno aggiunti quelli percepiti quale Consigliere di amministrazione.

Deputy Chairs

EUR 100,000.00 gross per annum.

In addition, compensation received as Board Director is also received.

Director of the SCIGR

EUR 15,000.00 gross per annum.

In addition, compensation as Board Director is received.

In addition, attendance fees are paid for each meeting of the Board or Committees (equal to EUR 1,000.00 for participation in person and EUR 500.00 for remote participation).

Compensation for members of the Supervisory Board is established, on proposal of the Appointments and Remuneration Committee, by the Board of Directors, after consulting with the Board of Statutory Auditors. Compensation for members of the Board of Statutory Auditors was established by the Shareholders' Meeting that defined fixed compensation, on an annual basis, as well as an attendance fee. In particular, control bodies are assigned the following compensation:

Supervisory Board

EUR 15,000.00 gross per annum for the Chair

EUR 10,000.00 for the other members;

besides an attendance fee for each meeting (EUR 1,000.00 for personal participation; EUR 500.00 for remote participation).

Board of Statutory Auditors

EUR 39,000.00 for the Chair

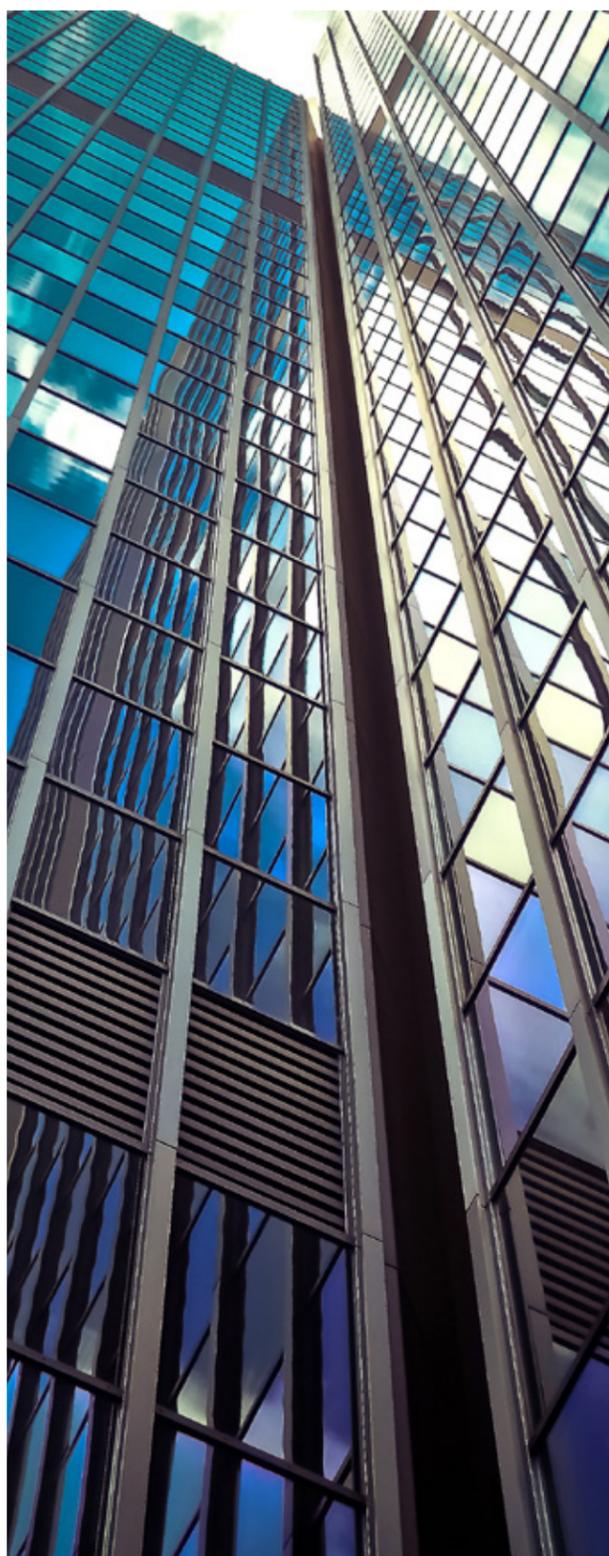
EUR 26,000.00 for acting auditors;

besides an attendance fee for each meeting of the Board of Statutory Auditors, Shareholders, Board and committees ((EUR 1,000.00 for attendance in person; EUR 500.00 for remote participation).

In addition to the compensation above, fees incurred for the position are reimbursed.

Reference to other companies' remuneration policies

As already stated in paragraph 1.3 above, to define the Remuneration Policy, the Company analysed and monitored market practices and remuneration levels supplied as aggregate data by the independent expert Willis Tower Watson, without specifically referring to other companies.



SECTION II

This part of Section II provides information about each item that makes up the remuneration of the members of the Board of Directors, the Board of Statutory Auditors, Supervisory Board, General Manager and Key Management personnel for the 2018 financial year.

As verified by the Appointments and Remuneration Committee, assigned compensation is consistent with the Company's remuneration policy approved by the Shareholders' Meeting on 19 April 2018.

Details of compensation paid and/or assigned are given in the tables in this Section.

On 14 November 2018, the Board approved: (i) the appointment of Paolo Pierantoni as Chair of the Board of Directors with operating powers; (ii) the appointment of Umberto Tosoni as Managing Director and General Manager; (iii) the appointment of Franco Moscetti and Stefania Bariatti as Vice Chairs of the Board of Directors. On 27 March 2019, on the proposal of the Appointments and Remuneration Committee, after consulting with the Audit, Control and Sustainability Committee and the Board of Statutory Auditors, the Board decided on the remuneration for new company positions as from 14 November 2018.

The term of office of the Board of Directors will end when the Financial Statements for the year

ending 31 December 2019 are approved.

DIRECTORS NOT HOLDING SPECIFIC OFFICES

Directors without specific offices received fixed remuneration approved by the Shareholders' Meeting of 27 April 2017 equal to EUR 30,000.00 gross per annum for each Director, as well as an attendance fee for each meeting (EUR 1,000.00 for attendance in person; EUR 500.00 for remote participation).

Additional remuneration was also assigned for participation in Board committees, as resolved by the Board on 9 August 2017 equal to EUR 15,000.00 for each Chair and EUR 10,000.00 for each member of Committees, as well as an attendance fee for each meeting (EUR 1,000.00 for attendance in person; EUR 500.00 for remote participation). Details of additional compensation are given in Table 1 under the item "Compensation for participation in Committees".

PRESIDENTE DEL CONSIGLIO DI AMMINISTRAZIONE ING. PAOLO PIERANTONI

The Chair of the Board of Directors Paolo Pierantoni was paid and/or awarded the following fixed amounts:

- for the position as Director, fixed compensation approved by the Shareholders' Meeting on 27 April 2017 equal to EUR 30,000.00 gross per annum, as well as attendance Chair for each meeting (EUR 1,000.00 for participation in person; EUR 500.00 for remote participation);
- until 14 November 2018, the pro-quota portion of fixed remuneration for the previous appointment as Managing Director, approved by the Board of Directors on 9 August 2017, equal to EUR 315,000.00 gross per annum;
- as from 14 November 2018, the pro-quota portion of fixed remuneration for the appointment as Chair

of the Board with executive powers, approved by the Board of Directors on 27 March 2019, equal to EUR 315,000.00 gross per annum;

- as regards the position of Director of the SCIGR, the compensation approved by the Board on 9 August 2017 is equal to EUR 15,000,00 gross per annum.

Details of compensation are given in Table 1 under the item "Fixed compensation".

Paolo Pierantoni was also paid and/or awarded the following variable compensation for his previous position as Managing Director.

As part of the annual incentive scheme with reference to 2017 ("2017 MBO Plan"), on 9 August 2017 the Board had assigned Paolo Pierantoni a basic bonus of EUR 200,000.00, of which accrual was subject to achieving the following objectives:

	Indicator/Type	Weight (%)	Accruable bonus (€)	Bonus accrued (€)
Objectives	EBITDA	40	Threshold 40.000	105.333
			Target 80.000	
			Maximum 120.000	
Objectives	Net profit	30	Threshold 30.000	90.000
			Target 60.000	
			Maximum 90.000	
	Qualitative objectives (strategic areas)	30	On/off 60.000	60.000

Based on all objectives being achieved, the Board granted Mr Pierantoni a bonus equal to EUR 255,333.00 on 27 March 2018 (equal to approximately 128% of the basic bonus).

As part of the annual incentive scheme with reference to 2018 ("2018 MBO Plan"), on 27 March

2018 the Board had assigned Paolo Pierantoni a basic bonus of EUR 200,000.00, of which accrual was subject to a Gate Condition and some objectives being met:

	Indicator/Type	Weight (%)	Accruable bonus (€)	Bonus accrued (€)
Gate condition	Net profit	---	---	---
Objectives	EBITDA	60	Threshold 60.000	113.766
			Target 120.000	
			Maximum 180.000	
	Qualitative objectives (reorganisation and risk management)	40	On/off 80.000	80.000

Based on the Gate Condition being met and all objectives being achieved, the Board granted Paolo Pierantoni a bonus equal to EUR 193,766 on 27 March 2019 (equal to approximately 97% of the basic bonus).

MANAGING DIRECTOR AND GENERAL MANAGER UMBERTO TOSONI

The Managing Director and General Manager Umberto Tosoni received and/or was assigned the following compensation:

- as from 14 November 2018, the pro-quota portion of fixed compensation approved by the Shareholders' Meeting on 27 April 2017, equal to EUR 30,000.00 gross per annum for each Director, as well as attendance Chair for each meeting (EUR 1,000.00 for participation in person; EUR 500.00 for remote participation);
- as from 14 November 2018, the pro-quota portion of fixed remuneration for the appointment as Managing Director, approved by the Board of Directors on 27 March 2019, equal to EUR 300,000,00 gross per annum;
- until 19 June 2018⁹, the pro-quota portion of fixed remuneration for the appointment as General Manager previously assigned and equal to EUR 80,000.00 gross per annum;
- until 14 November 2018, the pro-quota portion of

fixed remuneration as Manager of the Company, equal to EUR 355,000.00;

- as from 14 November 2018, the pro-quota portion of fixed remuneration as General Manager, approved by the Board of Directors on 27 March 2019, equal to EUR 350.000,00 gross per annum;

Details of compensation are given in Table 1 under the item "Fixed compensation".

Umberto Tosoni was paid and/or awarded the following variable compensation for his previous position as Managing Director.

⁹ Following the entry into force of the new organisational model of SIAS, which combines the role of General Manager and Managing Director, on 19 June 2018, Umberto Tosoni stepped down from his position as General Manager (taking this position again on 14 November 2018).



As part of the annual incentive scheme with reference to 2017 (“2017 MBO Plan”), on 9 August 2017 the Board assigned Mr Tosoni a basic bonus of EUR 150,000.00, of which accrual was subject to achieving the following objectives:

	Indicator/Type	Weight (%)	Accruable bonus (€)		Bonus accrued (€)
Objectives	EBITDA	40	Threshold Target Maximum	30.000 60.000 90.000	79.000
	Net profit	30	Threshold Target Maximum	22.500 45.000 67.500	67.500
	Qualitative objectives (company processes)	30	On/off	45.000	45.000

Based on all objectives being achieved, the Board granted Umberto Tosoni a bonus equal to EUR 191,500.00 on 27 March 2018 (equal to approximately 128% of the basic bonus).

As part of the annual incentive scheme with reference to 2018 (“2018 MBO Plan”), on 27 March 2017 the Board assigned Umberto Tosoni a basic bonus of EUR 150,000.00, of which accrual was subject to a Gate Condition and some objectives being met:

	Indicator/Type	Weight (%)	Accruable bonus (€)		Bonus accrued (€)
Gate condition	Net profit	---	---		---
Objectives	EBITDA	60	Threshold Target Maximum	45.000 90.000 135.000	85.325
	Qualitative objectives (reorganisation and risk management)	40	On/off	60.000	60.000

Based on the Gate Condition being met and all objectives being achieved, the Board granted Umberto Tosoni a bonus equal to EUR 145,325 on 27 March 2019 (equal to approximately 97% of the basic bonus).

KEY MANAGEMENT PERSONNEL

During 2018, the Company did not identify any other Key Management personnel apart from the General Manager, whose compensation is referred to in letter C) above. As from 2019, a Key Manager with duties in addition to the General Manager was identified. The compensation assigned to Key Managers will therefore be indicated, in aggregate form, in the 2020 Remuneration Report.

BOARD OF STATUTORY AUDITORS

Members of the Board of Statutory Auditors received the fixed compensation approved by the Shareholders’ Meeting of 27 April 2017 equal to EUR 39,000.00 gross per annum for the Chair and EUR 26,000.00 for each auditor, as well as attendance Chair for each meeting of the Board of Statutory Auditors, Shareholders, Board and committees (EUR 1,000.00 for participation in person; EUR 500.00 for remote participation).



⁹ As already stated, on 20 March 2019, the Board appointed the CFO of the Company, Stefano Viviano, as a Key Manager.

PART II TABLES

As required by article 123-ter of the TUF, detailed information is provided on the compensation paid to the members of the management and control bodies, including those of subsidiaries and associates.

TABLE 1												
Compensation paid to members of the Board of directors, general managers and other key management personnel												
A	B	C	D	1	2	3		4	5	6	7	8
Name and Surname	Position	Period during which the office was held	End of term in office	Fixed compensation	Compensation for participation in committees	Variable, non-equity based compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity compensation	Severance indemnity for end of office or employment termination
						Bonus and other incentives	Profit share					
Paolo Pierantoni	Chair of the Board of Directors as from 14 November 2018 Managing Director until 14 November 2018	01/01/2018 - 31/12/2018	Shareholders' meeting for the approval of the 2019 Financial Statements									
(I) Compensation for the company that prepares the Financial Statements				€ 30.000 (1)						€ 30.000		
				€ 330.000 (2)		€ 260.433 (4)				€ 590.433		
				€ 12.000 (3)						€ 12.000		
(II) Compensation from subsidiaries and associates				€ 416.994 (5)						€ 416.994		
(III) Total				€ 788.994		€ 260.433		€ -		€ 1.049.427	€ -	€ -
Umberto Tosoni	Managing Director as from 14 November 2018 General Manager until 19 June 2018 and as from 14 November 2018	01/01/2018 - 31/12/2018	Shareholders' Meeting to approve the 2018 Financial Statements									
(I) Compensation for the company that prepares the Financial Statements				€ 3.945 (1)						€ 3.945		
				€ 76.712 (6)		€ 195.325 (7)		€ 3.583 (8)	€ 350.000 (9)	€ 625.620		
				€ -						€ -		
(II) Compensation from subsidiaries and associates				€ 117.089 (10)						€ 117.089		
(III) Total				€ 197.746	€ -	€ 195.325	€ -	€ 3.583	€ 350.000	€ 746.654	€ -	€ -
Stefania Bariatti	Chair until 14 November 2018, then Vice Chair	01/01/2018 - 31/12/2018	Shareholders' meeting for the approval of the 2019 Financial Statements									
(I) Compensation for the company that prepares the Financial Statements				€ 30.000 (1)						€ 30.000		
				€ 230.959 (11)						€ 230.959		
				€ 11.000 (3)						€ 11.000		
(II) Compensation from subsidiaries and associates				€ -						€ -		
(III) Total				€ 271.959	€ -	€ -	€ -	€ -	€ -	€ 271.959	€ -	€ -

Franco Moschetti	Director	14/11/2018 - 31/12/2018	Shareholders' Meeting to approve the 2018 Financial Statements																	
(I) Compensation for the company that prepares the Financial Statements				€ 3.945 (1)	€ 5.288 (13)									€ 9.233						
				€ 13.151 (12)										€ 13.151						
(II) Compensation from subsidiaries and associates														€ -						
(III) Total				€ 17.096	€ 5.288	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ 22.384	€ -	€ -	€ -	€ -	€ -	€ -
Stefano Caselli	Director	01/01/2018 - 31/12/2018	Shareholders' meeting for the approval of the 2019 Financial Statements																	
(I) Compensation for the company that prepares the Financial Statements				€ 30.000 (1)	€ 12.712 (14)									€ 42.712						
				€ 5.000 (3)										€ 5.000						
(III) Total				€ 35.000	€ 12.712	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ 47.712	€ -	€ -	€ -	€ -	€ -	€ -
Sergio De Luca	Director	01/01/2018 - 31/12/2018	Shareholders' meeting for the approval of the 2019 Financial Statements																	
(I) Compensation for the company that prepares the Financial Statements				€ 30.000 (1)	€ 18.500 (15)									€ 48.500						
				€ 11.500 (3)										€ 11.500						
(III) Total				€ 41.500	€ 18.500	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ 60.000	€ -	€ -	€ -	€ -	€ -	€ -
Marianna Galli	Director	01/01/2018 - 31/12/2018	Shareholders' Meeting to approve the 2019 Financial Statements																	
(I) Compensation for the company that prepares the Financial Statements				€ - (16)										€ -						
				€ -									€ -							
(III) Total				€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -
Saskia Kunst	Director	01/01/2018 - 31/12/2018	Shareholders' meeting for the approval of the 2019 Financial Statements																	
(I) Compensation for the company that prepares the Financial Statements				€ 30.000 (1)	€ 15.500 (17)									€ 45.500						
				€ 10.500 (3)									€ 10.500							
(II) Compensation from subsidiaries and associates				€ -									€ -							
(III) Total				€ 40.500	€ 15.500	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ 56.000	€ -	€ -	€ -	€ -	€ -	€ -
Rosario Mazza	Director	27/09/2018 - 31/12/2018	Shareholders' Meeting to approve the 2018 Financial Statements																	
(I) Compensation for the company that prepares the Financial Statements				€ 7.890 (1)									€ 7.890							
				€ 1.000 (3)									€ 1.000							
(II) Compensation from subsidiaries and associates													€ -							
(III) Total				€ 8.890	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ 8.890	€ -	€ -	€ -	€ -	€ -	€ -
Frances V Ouseley	Director	14/11/2018 - 31/12/2018	Shareholders' Meeting to approve the 2018 Financial Statements																	
(I) Compensation for the company that prepares the Financial Statements				€ 3.945 (1)									€ 3.945							
													€ -							
(II) Compensation from subsidiaries and associates													€ -							
(III) Total				€ 3.945	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ 3.945	€ -	€ -	€ -	€ -	€ -	€ -	€ -
Andrea Pellegrini	Director	01/01/2018 - 31/12/2018	Shareholders' meeting for the approval of the 2019 Financial Statements																	
(I) Compensation for the company that prepares the Financial Statements				€ 30.000 (1)	€ 21.500 (18)								€ 51.500							
				€ 5.000 (3)								€ 5.000								
(II) Compensation from subsidiaries and associates												€ -								
(III) Total				€ 35.000	€ 21.500	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ 56.500	€ -	€ -	€ -	€ -	€ -	€ -	€ -

Giovanni Quaglia	Director	01/01/2018 - 31/12/2018	Shareholders' meeting for the approval of the 2019 Financial Statements																		
(I) Compensation for the company that prepares the Financial Statements				€ 30.000	(1)															€ 30.000	
				€ 11.000	(3)															€ 11.000	
(II) Compensation from subsidiaries and associates				€ 43.069	(19)															€ 43.069	
(III) Total				€ 84.069		€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ 84.069	€ -
Antonio Segni	Director	01/01/2018 - 31/12/2018	Shareholders' meeting for the approval of the 2019 Financial Statements																		
(I) Compensation for the company that prepares the Financial Statements				€ 30.000	(1)	€ 18.856	(20)													€ 48.856	
				€ 8.000	(3)															€ 8.000	
(II) Compensation from subsidiaries and associates																				€ -	
(III) Total				€ 38.000		€ 18.856		€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ 56.856	€ -
Paolo Simioni	Director	01/01/2018 - 31/12/2018	Shareholders' meeting for the approval of the 2019 Financial Statements																		
(I) Compensation for the company that prepares the Financial Statements				€ 30.000	(1)															€ 30.000	
				€ 3.000	(3)															€ 3.000	
(II) Compensation from subsidiaries and associates																				€ -	
(III) Total				€ 33.000		€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ 33.000	€ -
Micaela Vescia	Director	14/11/2018 - 31/12/2018	Shareholders' Meeting to approve the 2018 Financial Statements																		
(I) Compensation for the company that prepares the Financial Statements				€ 3.945	(1)															€ 3.945	
(II) Compensation from subsidiaries and associates																				€ -	
(III) Total				€ 3.945		€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ 3.945	€ -
Giovanni Angioni	Director	01/01/2018 - 12/03/2018																			
(I) Compensation for the company that prepares the Financial Statements				€ 5.836	(1)															€ 5.836	
				€ 2.000	(3)															€ 2.000	
(II) Compensation from subsidiaries and associates				€ 9.968	(21)															€ 9.968	
(III) Total				€ 17.804		€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ 17.804	€ -
Edda Gandossi	Director	01/01/2018 - 23/03/2018																			
(I) Compensation for the company that prepares the Financial Statements				€ 6.740	(1)	€ 5.504	(22)													€ 12.244	
				€ 2.500	(3)															€ 2.500	
(II) Compensation from subsidiaries and associates				€ 11.426	(23)															€ 11.426	
(III) Total				€ 20.666		€ 5.504		€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ 26.170	€ -
Francesco Gatti	Director	19/04/2018 - 14/11/2018																			
(I) Compensation for the company that prepares the Financial Statements				€ 17.260	(1)															€ 17.260	
				€ 4.500	(3)															€ 4.500	
(II) Compensation from subsidiaries and associates				€ -																€ -	
(III) Total				€ 21.760		€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ 21.760	€ -

LEGEND

1. Compensation established by the Shareholders' Meeting pursuant to article 2389, paragraph 1, of the Civil Code
2. Compensation as MD up to 14 November 2018, as Chair as from 14 November 2018 and Director of the SCIGR for 2018
3. Attendance fee for participation in meetings
4. Compensation for the MBO scheme
5. Compensation – net of amounts reversed to SIAS – as Board Director and member of the Audit Committee of EcoRodovias Infraestrutura e Logística S.A. (EUR 13 thousand *) and gross remuneration and fringe benefits as employee of Autostrada dei Fiori S.p.A. (EUR 404 thousand)
6. Compensation as General Manager until 19 June 2018, and as Managing Director and General Manager as from 14 November 2018
7. Compensation for the MBO scheme
8. Non-monetary benefits
9. Remuneration as an employee
10. Compensation – net of amounts reversed to SIAS S.p.A. – as MD of Autostrada Asti-Cuneo S.p.A. (EUR 60 thousand) and MD of SATAP S.p.A. (EUR 57 thousand)
11. Remuneration as Chair until 14 November 2018, and then as Vice Chair
12. Compensation as Vice Chair from 14 November 2018
13. Compensation for participation in the Audit, Risk and Sustainability Committee as from 14 November 2018
14. Compensation for participation in the Audit, Risk and Sustainability Committee as from 14 November 2018
15. Compensation for the participation in the Risk and Control Committee
16. Compensation net of reversed amounts
17. Compensation for participation in the Appointments and Remuneration Committee
18. Compensation for the participation in the Risk and Control Committee
19. Compensation as Chair of Autostrada Asti-Cuneo S.p.A. as from 13 April 2018 (EUR 43 thousand)
20. Compensation for participation in the Appointments and Remuneration Committee
21. Compensation – on a pro rata temporis basis – as Director of S.A.L.T. p.A. (EUR 3 thousand), Board Director and Vice Chair of Autostrada Asti Cuneo S.p.A. (EUR 5 thousand), Board Director of Tangenziali Esterne di Milano S.p.A. (EUR 1 thousand), Board Director of Tangenziale Esterna S.p.A. (EUR 1 thousand)
22. Compensation – on a pro rata temporis basis – for participation in the Supervisory Board

23. Compensation – on a pro rata temporis basis – as Alternate Director of EcoRodovias Infraestrutura e Logística S.A. (EUR 11 thousand*)
24. Compensation – on a pro rata temporis basis – as Director of EcoRodovias Infraestrutura e Logística S.A. (EUR 50 thousand*) and as Director of SEA S.p.A.(EUR 15 thousand)
25. Compensation as Vice Chair of SIAS until 14 November 2018
26. Compensation – on a pro rata temporis basis – as Board Director and member of the Executive Committee of S.A.L.T. p.A. (EUR 54 thousand), Chair of Sinelec S.p.A. (EUR 87 thousand), Director of Autostrada dei Fiori S.p.A. (EUR 19 thousand), Director of SAV S.p.A. (EUR 17 thousand), Vice Chair of SATAP S.p.A. (EUR 29 thousand), Director of SEA S.p.A. (EUR 17 thousand) gross remuneration and fringe benefits as employee of Itinera S.p.A. (EUR 380 thousand)
27. Compensation for participation in the Appointments and Remuneration Committee until 14 November 2018
28. Compensation – on a pro rata temporis basis – as Director of S.A.L.T. p.A. (EUR 2 thousand) and Board Director of Autostrada dei Fiori S.p.A. (EUR 2 thousand)
29. Compensation for participation in the Audit, Risk and Sustainability Committee, Appointments and Remuneration Committee and Supervisory Board
30. Compensation for participation in the Audit, Risk and Sustainability Committee, Appointments and Remuneration Committee and Supervisory Board

*Amounts converted at the EUR/BRL rate of 31 December 2018: 4.444

TABLE 3B

Monetary incentive schemes for board members, general managers and other key management personnel

A	B	1	2			3			4
Name and Surname	Position	Plan	Bonus for the year			Bonus of previous years			Other bonuses
			(A)	(B)	(C)	(A)	(B)	(C)	
Paolo Pierantoni	Managing Director		Payable/paid	Deferred	Deferment period	No longer payable	Payable/paid	Still deferred	
(I) Compensation for the company that prepares the Financial Statements		MBO Scheme	€ 193,766						
(II) Compensation for the company that prepares the Financial Statements		LTI programme	€ 66,667						
(III) Compensation from subsidiaries and associates									
(IV) Total			€ 260,433						
Umberto Tosoni	General Manager			Deferred	Deferment period	No longer payable	Payable/paid	Still deferred	
(I) Compensation for the company that prepares the Financial Statements		MBO Scheme	€ 145,325						
(II) Compensation for the company that prepares the Financial Statements		LTI programme	€ 50,000						
(III) Compensation from subsidiaries and associates									
(IV) Total			€ 195,325						

INFORMATION ON SHAREHOLDERS OF MEMBERS OF ADMINISTRATIVE AND CONTROL BODIES, GENERAL MANAGERS AND OTHER KEY MANAGERS

Persons in office

NAME AND SURNAME	POSITION	INVESTE COMPANY	NUMBER OF SHARES OWNED AT THE END OF THE PREVIOUS FINANCIAL YEAR	NUMBER OF SHARES PURCHASED	NUMBER OF SHARES SOLD	NUMBER OF SHARES OWNED AT THE END OF THE CURRENT FINANCIAL YEAR
Paolo Pierantoni:	Chair	SIAS S.p.A.	3,300	=	=	3,300
		SIAS S.p.A. ^(A)	1,750 ^(A)	=	=	1,750 ^(A)
Saskia Elisabeth Kunst	Director	SIAS S.p.A.	0	2,000	=	2,000
Giovanni Quaglia	Director	SIAS S.p.A.	2,000	=	=	2,000

(A) Ownership refers to the spouse.

Persons no longer in office during the year

NAME AND SURNAME	POSITION	INVESTE COMPANY	NUMBER OF SHARES PURCHASED	NUMBER OF SHARES SOLD	NUMBER OF SHARES OWNED AT THE END OF THE CURRENT FINANCIAL YEAR
Beniamino Gavio	Director	SIAS S.p.A.	=	=	1,000
		SIAS S.p.A. ^(A)	=	=	500 ^(A)
		SATAP S.p.A.	=	=	53,283
		SATAP S.p.A. ^(B)	=	=	889 ^(B)
Daniela Gavio	Vice Chair	SATAP S.p.A.	=	=	3,255
		SATAP S.p.A.	=	=	889 ^(B)

(A) Ownership refers to the spouse.

(B) Owner of a joint 1/3 portion

DRAFT RESOLUTION FOR THE SHAREHOLDERS' MEETING

Given that, pursuant to applicable regulations, the Shareholders Meeting is required to express its vote on "Section I" of this Remuneration Report, we propose that you vote in favour of the aforementioned "Section I", adopting the following resolution:

"The Shareholders' Meeting,

- *having acknowledged the Remuneration Report prepared by the Board of Directors, in implementation of the provisions of article 123-ter of the TUF and the guidelines contained in article 84-quater of the Issuers' Regulation;*
- *having examined Section I in particular, which details the Policy developed by the Company for the remuneration of the Board of Directors, the General Manager and the Managers with strategic responsibilities and the procedures used for the adoption and implementation of such policy;*

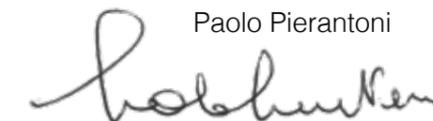
approves

"Section I" of the Remuneration Report."

Tortona, 27 March 2019

for the Board of Directors

The Chair
Paolo Pierantoni





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Ideas, People and Values

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