



REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE FOR 2018

Approved by the Board of Directors of ENAV S.p.A. on 11 March 2019

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

WWW.ENAV.IT

ENAV is the company that handles civil air traffic in Italy, guaranteeing safety and punctuality 24 hours a day for about 1.8 million flights a year from its control towers and area control centres. With some 4,200 employees, the Company provides air navigation services to its customers - the airlines flying in Italian airspace - and is one of the five largest industry players in Europe in terms of operating performance and capacity for innovation.

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

ENAV pursues an ethical and socially responsible business model designed to create sustainable long-term value for the Company and its stakeholders. In view of the social importance of the Company's operations, this is the objective to which its corporate governance system is oriented.

For more information on sustainability issues and the attention the Company has always paid to the social and environmental consequences of its activities, please see the ENAV Group's Sustainability Report, published on the website www.enav.it and on the Group's sustainability portal at <https://sostenibilita.enav.it/it>.

INTRODUCTION

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

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

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

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

The Report was prepared having regard to:

- the format for reports on corporate governance and ownership structure developed by Borsa Italiana S.p.A. (VIII Edition of January 2019).¹
- The European House - Ambrosetti S.p.A. 2018 Final Report of the Observatory on Corporate Governance Excellence in Italy;
- the Assonime 2018 report "Corporate Governance in Italy: self-regulation, remuneration and comply-or-explain";
- the 2018 report on developments in the corporate governance of listed companies of the Corporate Governance Committee of Borsa Italiana.

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

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

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ENAV PROFILE AND CORPORATE GOVERNANCE

A. CORPORATE GOVERNANCE

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

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

At its opening meeting on 4 May 2017, the Board of Directors also granted the Chairman the authority to coordinate internal auditing activities and, together with the Chief Executive Officer, responsibility for managing national and international institutional relations. The Chairman, in agreement with the Chief Executive Officer, also handles the Company's external communication activities and relations with national and foreign media. Following the resignation of the Chairman of the Board of Directors, the same powers were granted to the new Chairman appointed by the Board at its meeting on 8 November 2018.

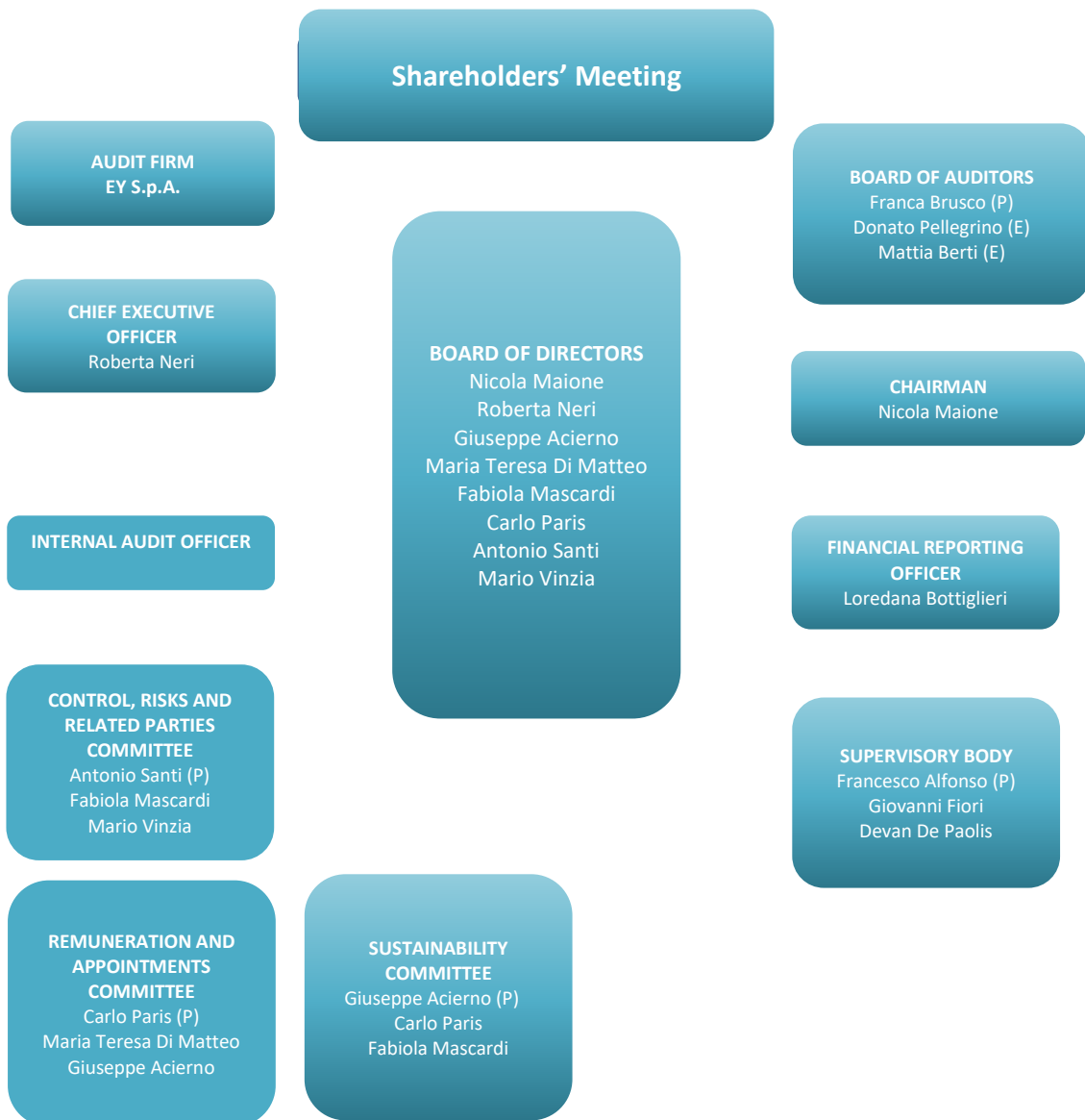
The model adopted by the Company separates the functions of the Chairman of the Board and the Chief Executive Officer, while both are responsible for representing the Company.

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

At its meeting of 4 May 2017, the Board of Directors, acting on a proposal of the Chief Executive Officer and taking note of the favourable opinion issued by the Board of Auditors in accordance with Article 18-*bis* of the Articles of Association, also appointed a Financial Reporting Officer in charge of preparing the Company's financial statements.

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

Governance²



² The figure reflects the corporate governance arrangements of ENAV at the date this Report was approved.

B. MAIN COMPANY HIGHLIGHTS

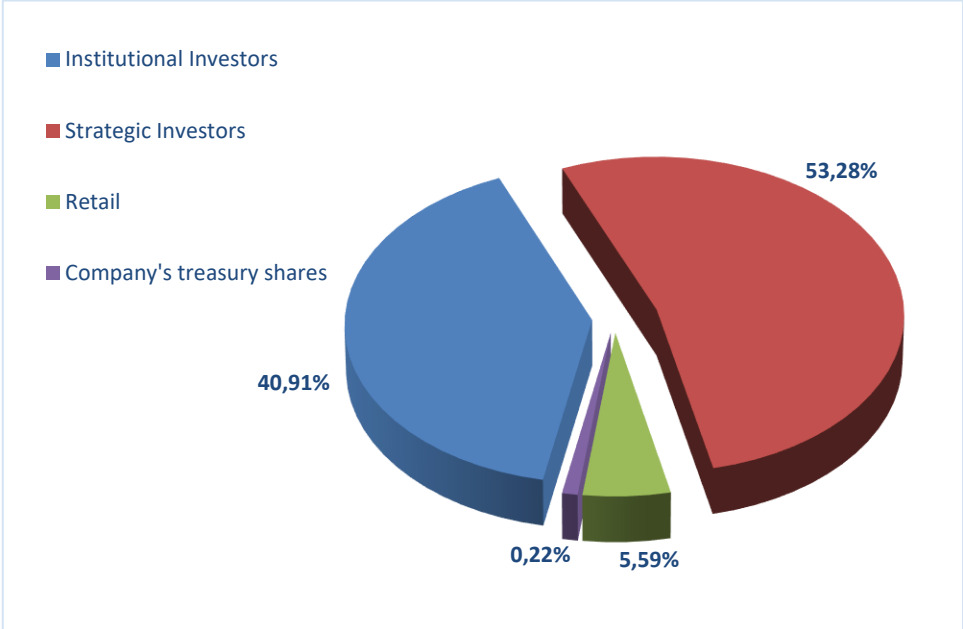
	2018	2017	Change	%
Total revenues	889,740	881,824	7,916	0.9%
EBITDA	297,381	283,595	13,786	4.9%
EBIT	164,391	146,682	17,709	12.1%
Consolidated net profit	114,390	101,498	12,892	12.7%
Net financial debt	1,958	117,482	(115,524)	-98.3%
Capitalisation at 31/12	2,298,080	2,443,267	(145,187)	-5.9%
Workforce at year-end	4,114	4,181	(67)	-1.6%

thousands of euros

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



D. STRUCTURE AND CHARACTERISTICS OF THE SHAREHOLDER BASE*



* Shareholder identification conducted in October 2018.

E. COMPOSITION OF BOARD OF DIRECTORS AND COMMITTEES ³

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

CRRPC: Control, Risks and Related Parties Committee.

RAC: Remuneration and Appointments Committee

SC: Sustainability Committee

M: Majority slate

m: Minority slate

P: Chairman

C: member

F. MIX OF EXPERTISE AND DIVERSITY⁴

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

⁴ Determined on the basis of the board evaluations conducted between January and February 2019 with the support of the advisor Spencer Stuart.



Nicola Maione
Chairman



Roberta Neri
Chief Executive Officer



Giuseppe Acierno
Director



Maria Teresa Di Matteo
Director



Fabiola Mascardi
Director



Carlo Paris
Director



Antonio Santi
Director



Mario Vinzia
Director



Chairman



Independent Director



Chief Executive Officer



Not independent Director

Tenure



Control, Risks and Related Parties Committee



Antonio Santi
Chairman



Fabiola Mascardi
Member



Mario Vinzia
Member

Remuneration and Appointments Committee



Carlo Paris
Chairman



Giuseppe Acierno
Member



Maria Teresa Di Matteo
Member

Sustainability Committee



Giuseppe Acierno
Chairman

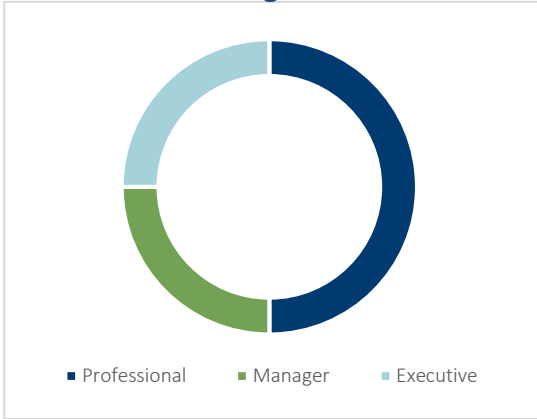


Fabiola Mascardi
Member

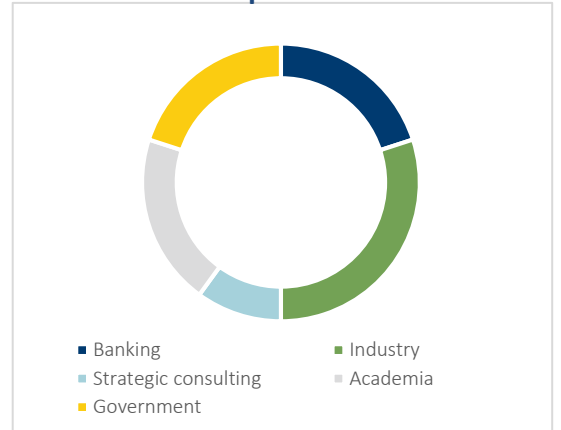


Carlo Paris
Member

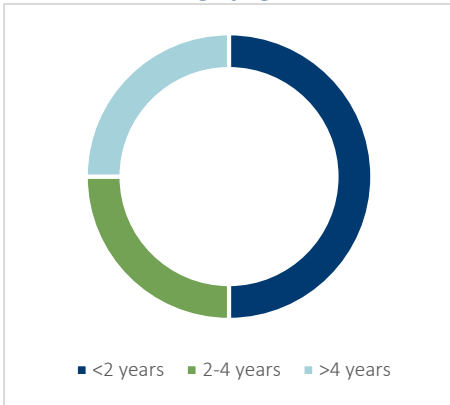
Background



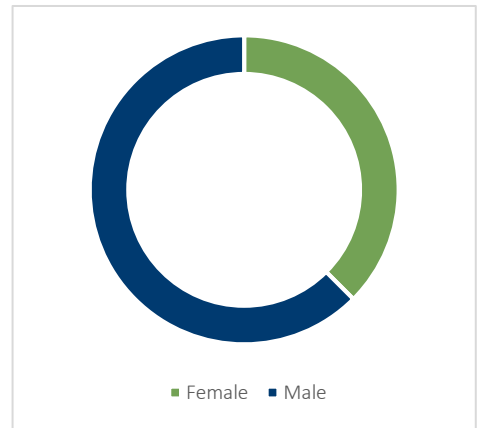
Prior experience



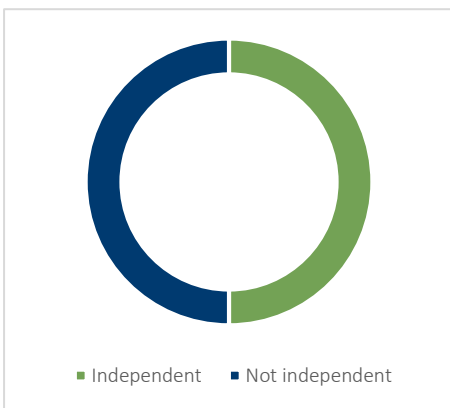
Tenure



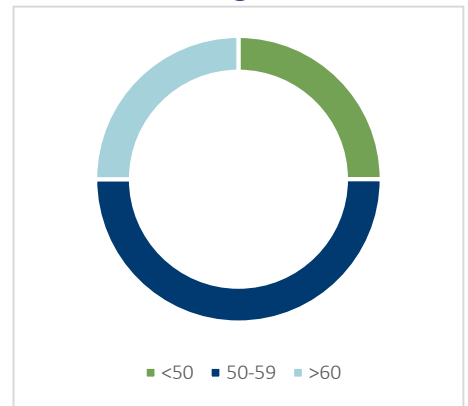
Gender diversity



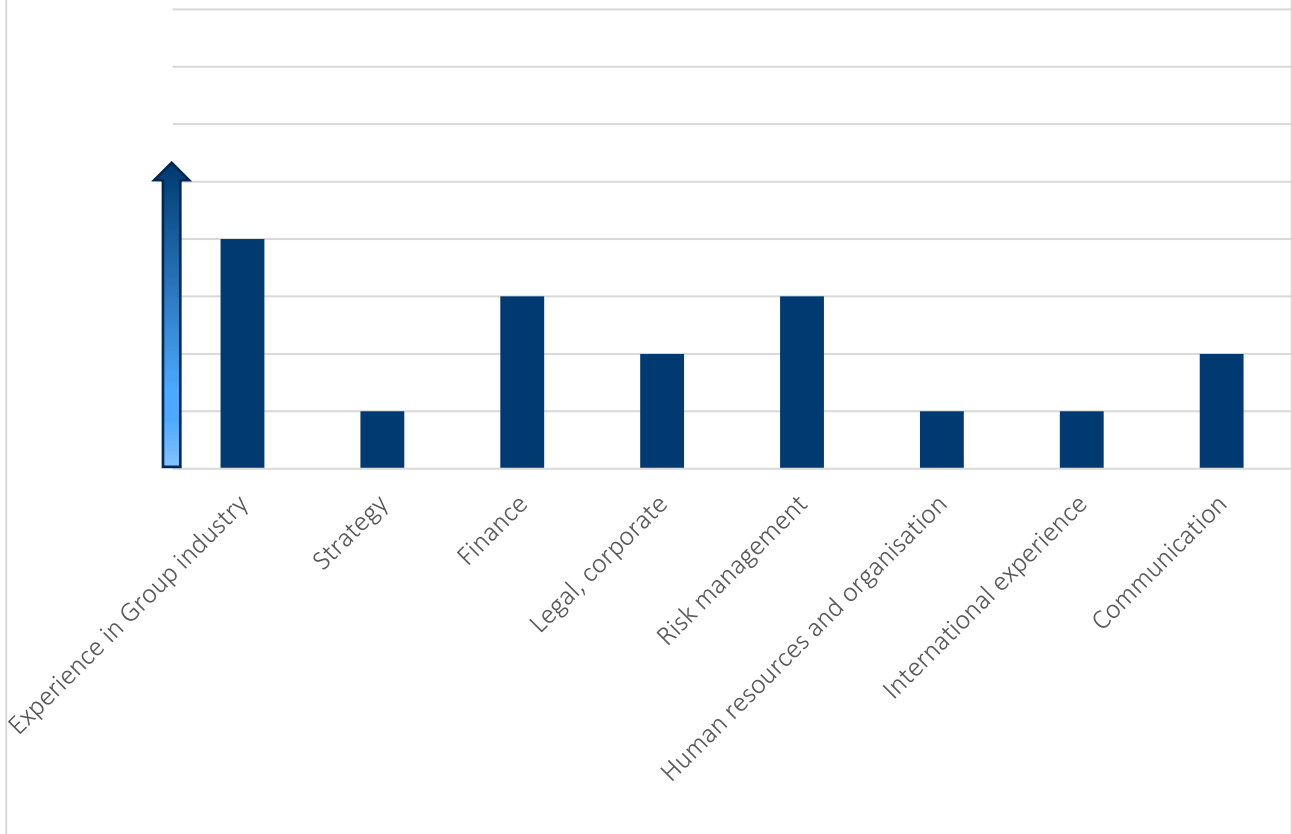
Independence



Age



Expertise



Developments compared with the previous term

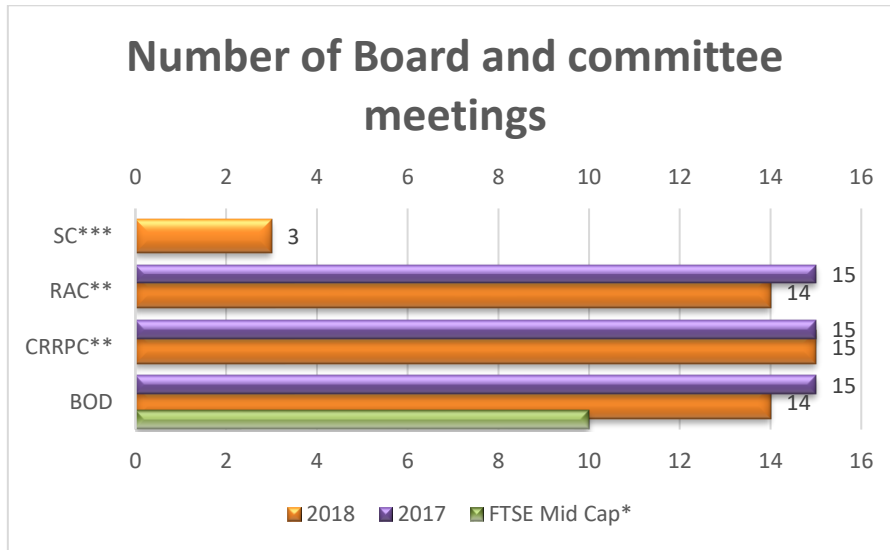
	Previous term	Current term	Mid-Cap average
Number of directors	7	8⁵	10.8*
Directors elected from minority shareholders	-	37.5%	17%**
% of the less represented gender in Board of Directors	28.5%	37.5%	28.5%*
% of independent directors	28.5%	50%	49%*
Average age of directors	52.7	53.25	57.5*
Status of the Chairman	Non-executive	Non-executive	-
Lead Independent Director	none	none	-

* The European House – Ambrosetti S.p.A., 2018 Report of the Observatory on Corporate Governance Excellence in Italy. The data refer to 2017.

** Assonime, 2018 Report “Corporate Governance in Italy: self-regulation, remuneration and comply-or-explain”.

⁵ Among other business, the Shareholders’ Meeting of 28 April 2017 set the number of directors at nine. As a result of the resignation tendered on 8 November 2018 by Roberto Scaramella from his position as director and Chairman of the Board, as at the date of the Report the ENAV Board of Directors has eight members.

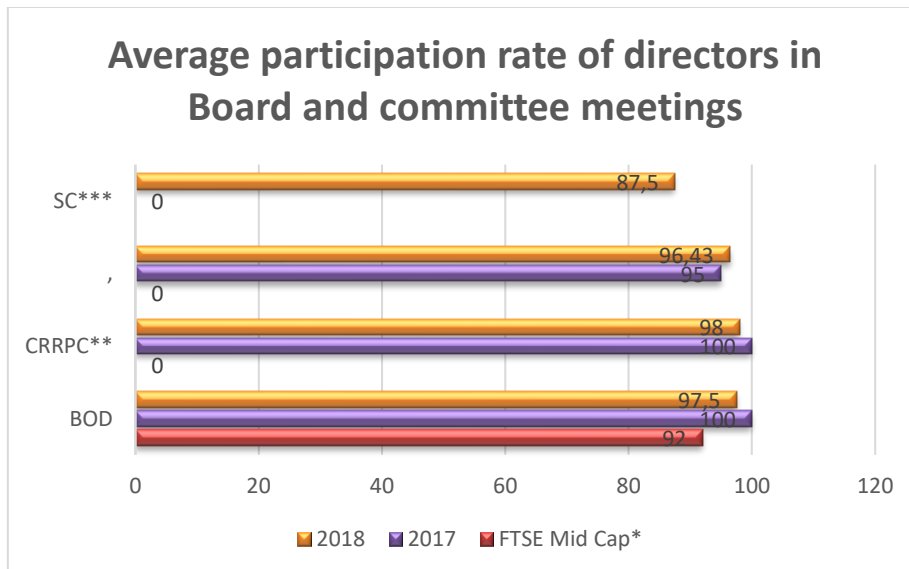
G. OPERATION OF BOARD OF DIRECTORS AND OF COMMITTEES



* The European House – Ambrosetti S.p.A., 2018 Report of the Observatory on Corporate Governance Excellence in Italy. The data refer to 2017.

** The figure for the number of RAC and CRRPC meetings regards all of 2018.

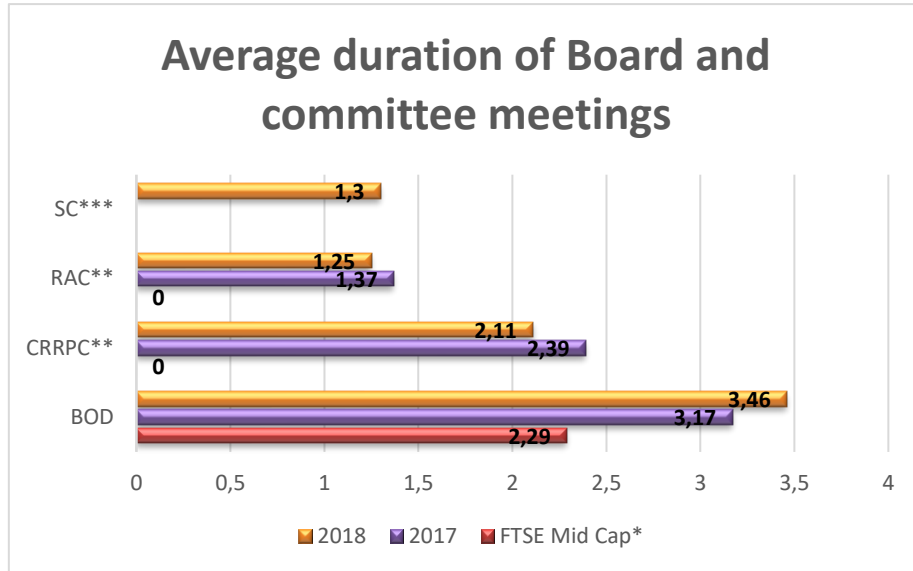
*** The figure for the average participation rate in meetings of the Sustainability Committee regards the period from 2 August 2018, the date the committee was established, to 31 December 2018.



* The European House – Ambrosetti S.p.A., 2018 Report of the Observatory on Corporate Governance Excellence in Italy. The data refer to 2017.

** The figure for the number of RAC and CRRPC meetings regards all of 2018.

*** The figure for the average participation rate in meetings of the Sustainability Committee regards the period from 2 August 2018, the date the committee was established, to 31 December 2018.



* The European House – Ambrosetti S.p.A., 2018 Report of the Observatory on Corporate Governance Excellence in Italy. The data refer to 2017.

** The figure for the number of RAC and CRRPC meetings regards all of 2018.

*** The figure for the average participation rate in meetings of the Sustainability Committee regards the period from 2 August 2018, the date the committee was established, to 31 December 2018.

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

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

Annual Board Evaluation

Annual Board Evaluation	Yes
Advisor to the evaluation process	Spencer Stuart
Self-assessment methods	Questionnaires and group self-assessment sessions

H. REMUNERATION

Overview of remuneration instruments

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

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

STI: Short-term incentive

LTI: Long-term incentive

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

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

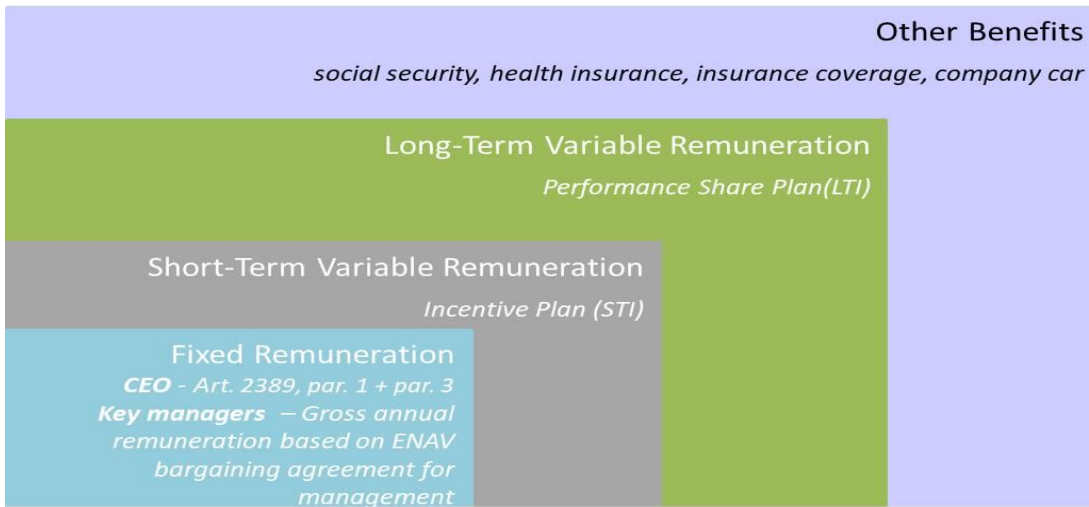
ROE: return on equity

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

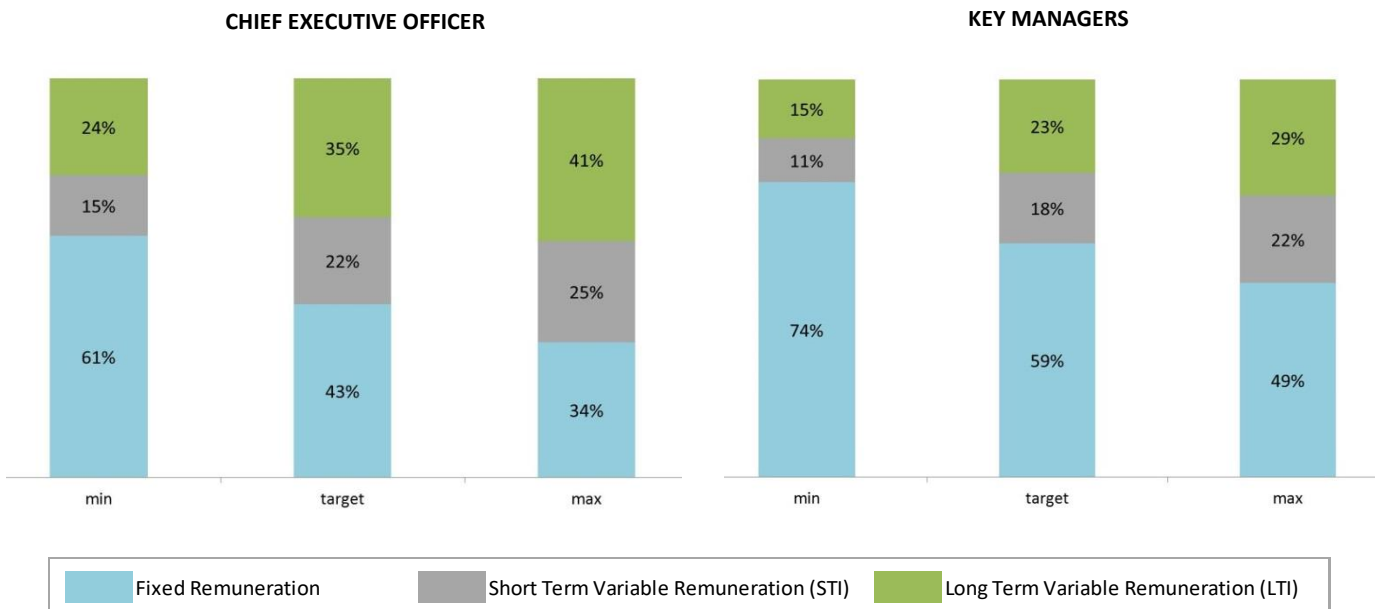
Free cash flow: represents the cash flow available to the entity and is equal to the sum of the cash flow generated or used by operating activities and the cash flow generated or used by investment activities.

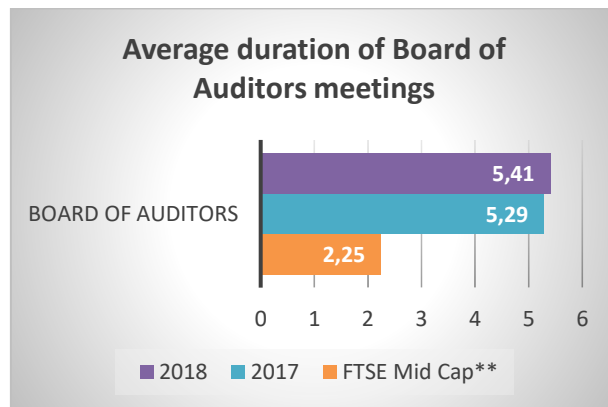
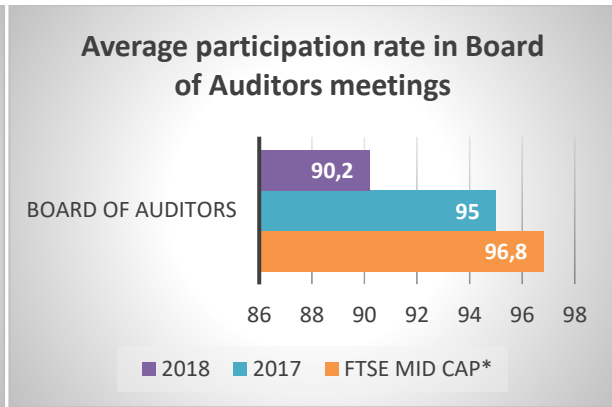
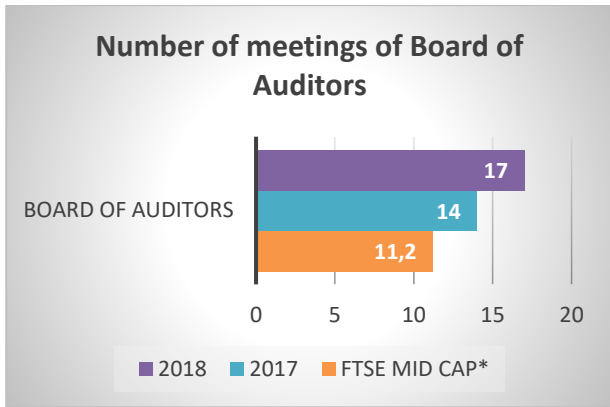
Remuneration policy and theoretical remuneration levels

Theoretical pay mix for Chief Executive Officer and key management personnel



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





* The European House – Ambrosetti S.p.A., 2018 Report of the Observatory on Corporate Governance Excellence in Italy. The data refer to 2017.

** Assonime, 2018 Report “Corporate Governance in Italy: self-regulation, remuneration and comply-or-explain”.

J. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

Main elements of the internal control and risk management system

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

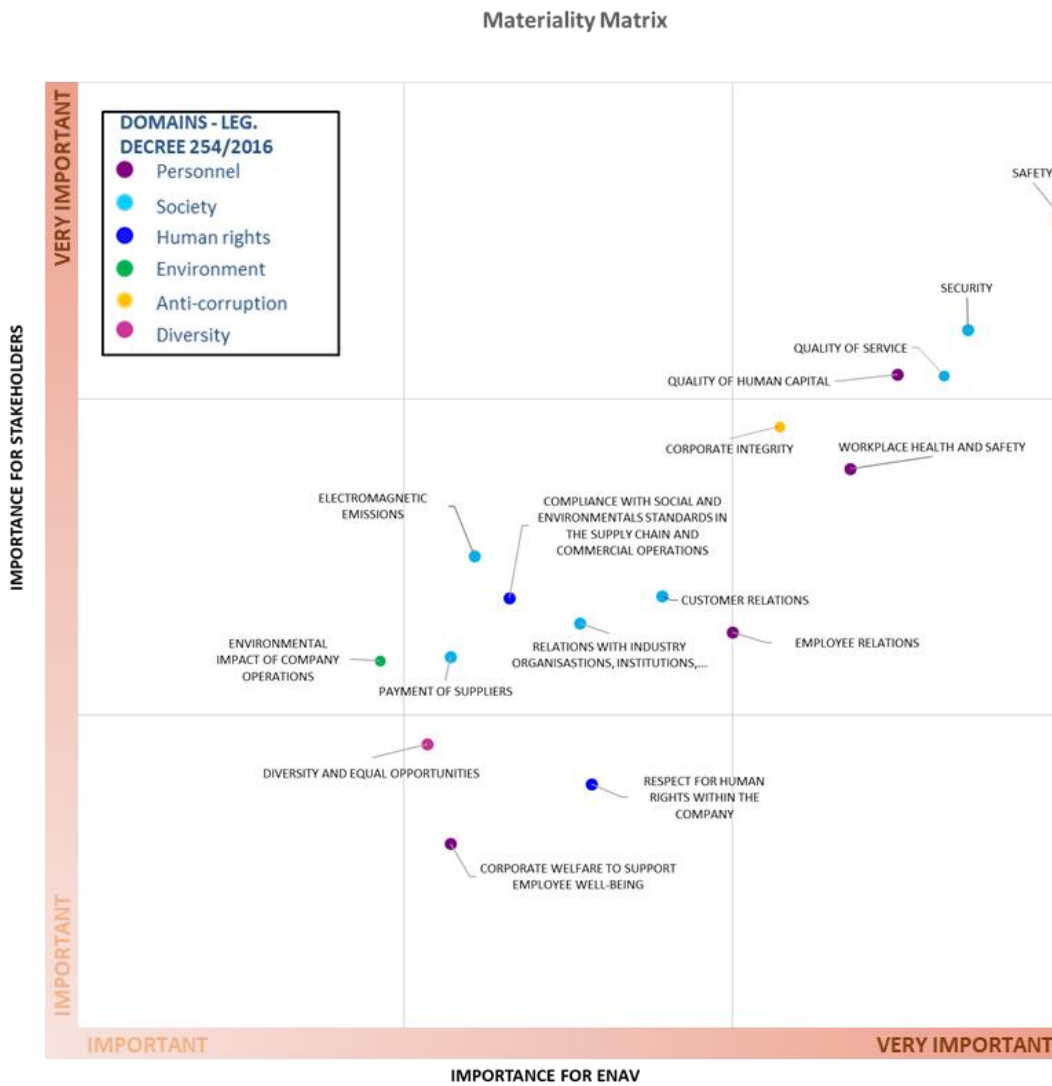
Internal control and risk management system - Risk Report

The main risk categories – as identified through the risk assessment activities performed in 2018 and described in the “Risk Appetite Statement (RAS) 2018” - are as follows:

1. **Air navigation services**, with risk represented by ATM contribution to incidents, significant and simultaneous interruptions of air traffic services, compliance breaches that would lead to revocation of the certification to operate within the Single European Sky;
2. **Technology and infrastructure development**, understood as a critical factor in ensuring excellence in performance and achieving the objectives set out in the Business Plan and in Company planning;
3. **Business development**, assessed in terms of the ability to seize the opportunities for unregulated business in the non-regulated market and to achieve sales objectives;
4. **Traffic and cost management**, in consideration of the impact on rates and implementation of the Business Plan that may derive from any changes in air traffic volume or divergences in internal costs from forecasts;
5. **Human and organisational capital**, a key factor for maintaining excellence - in terms of safety, operational capacity, economic efficiency and environmental impact – and achieving company objectives;
6. **Corporate image and reputation**, which are key factors in relations with customers, institutions, authorities, shareholders and other stakeholders;
7. **Corporate governance and compliance**, in consideration of the regulatory framework applicable to ENAV and the consequent need to adjust organisational and procedural arrangements to ensure compliance;
8. **Information security**, a factor with a direct bearing on safety as well as compliance and corporate reputation;
9. **UTM services (unmanned aerial vehicles traffic management)**, which represent a new business and a key element of the ENAV Business Plan, in addition to being a natural evolution of the national designation for the provision of air navigation services in a broader sense.

K. SUSTAINABILITY

Materiality matrix



For further information please refer to ENAV 2018 Sustainability Report

GLOSSARY

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

Directors or director	The members of ENAV's Board of Directors (or each member of ENAV's Board of Directors)
Shareholders Meeting or Meeting	ENAV Shareholders' Meeting, in either ordinary or extraordinary session
2018 Shareholders' Meeting	ENAV Shareholders' Meeting of 27 April 2018
Code or Corporate Governance Code	The Corporate Governance Code for listed companies, approved by the Corporate Governance Committee of Borsa Italiana S.p.A. in March 2006, as amended
Board of Auditors	The Board of Auditors of ENAV
CRRPC	Control, Risks and Related Parties Committee of ENAV
RAC	Remuneration and Appointments Committee of ENAV
SC	Sustainability Committee of ENAV
The Board of Directors or Board	ENAV's Board of Directors
Financial Reporting Officer	The Officer in charge of preparing the Company's financial statements
ENAV or the Company	ENAV S.p.A.
Financial year	2018 financial year
ENAV Group or Group	ENAV and the companies it controls pursuant to Article 2359 of the Italian Civil Code and Article 93 of the Consolidated Law on Financial Intermediation
Instructions to the Market Rules	The instructions to the rules governing the markets organised and operated by Borsa Italiana S.p.A.

Market Rules	The rules governing the markets organised and operated by Borsa Italiana S.p.A.
Business Plan	The 2018-2022 Business Plan approved by the Board of Directors on 12 March 2018
Issuers Regulation	The Regulation issued by Consob with resolution no. 11971 of 14 May 1999 concerning issuers, as amended
Market Regulation	The Regulation issued by Consob with resolution no. 16191 of 29 October 2007, as amended
Related Parties Regulation	The Regulation issued by Consob with Resolution no. 17221 of 12 March 2010 concerning related party transactions, as amended
Report	This report on corporate governance and ownership structure pursuant to Article 123- <i>bis</i> of the Consolidated Law on Financial Intermediation
internal control and risk management system or ICRMS	The set of tools, organisational structures, standards and business rules aimed at enabling the identification, measurement, management and monitoring of ENAV main risks, as described in this Report
Subsidiaries	The companies controlled by ENAV pursuant to Article 2359 of the Italian Civil Code and Article 93 of the Consolidated Law on Financial Intermediation
Audit firm	EY S.p.A.
Articles of Association	The Articles of Association of ENAV
Consolidated Law on Financial Intermediation (or Consolidated Law)	Legislative Decree no. 58 of 24 February 1998 as amended

SECTION 1 - INFORMATION ON THE OWNERSHIP STRUCTURE

1. INFORMATION ON THE OWNERSHIP STRUCTURE

1.1. Composition of share capital

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

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

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

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

1.2. Major shareholders

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

1.3. Distribution of shareholder base

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

Area/Region	Percentage of share capital
Italy (MEF)	53%
Italy (institutional + retail investors/employees)	15%
United States + Canada	8%
Australia	2%
United Kingdom + Ireland	6%
Rest of Europe + Switzerland	9%
Rest of the world and undisclosed	7%

1.4. Shares conferring special rights

The Company has issued no shares conferring special rights.

1.5. Employee stock ownership: exercising voting rights

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

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

⁶ Shareholder identification conducted in October 2018. The table was prepared in accordance with the notifications provided for by law and the information available to the Company.

On 23 January 2019, the Company was notified of the establishment of the LAGE Association – ENAV Group Employee Shareholders.

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

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

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

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

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

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

Further restrictions on the transfer of securities derive from the implementation of the 2017-2019 Performance Share Plan, as set out in the Information Document prepared pursuant to Article 84-bis of the Issuers Regulation and approved by the Shareholders' Meeting of 28 April 2017, which established that 20% of the shares granted to the Chief Executive Officer and the other beneficiaries are subject to a lock-up period. For more information on the lock-up mechanism as detailed in the Plan Rules, please see the Remuneration Report prepared pursuant to Articles 123-ter of the Consolidated Law and 84-quater of the Issuers Regulation, and made available to the public on the Company's website www.enav.it, as well as with the other methods provided for under applicable legislation.

1.7. Restrictions on voting rights

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

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

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

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

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

1.8. Shareholder agreements

As of the date of this Report no shareholder agreements pursuant to Article 122 of the Consolidated Law were in place.

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

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

For more information on these agreements, readers are invited to consult the Annual Financial Report 2018, note 36 "Managing financial risk" of the notes to the consolidated financial statements, which is published on the Company's website.

Passivity rule and neutralisation rules

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

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

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

The 2018 Shareholders' Meeting authorised, subject to revocation of the previous authorisation, the purchase and disposal of treasury shares pursuant to Article 2357 of the Italian Civil Code up to a maximum of 1,200,000 ordinary shares, partly in order to implement the 2017-2019 Performance Share Plan referred to in the Information Document prepared pursuant to Article 84-*bis* of the Issuers Regulation and approved by the Shareholders' Meeting of 28 April 2017. The authorisation for the purchase of treasury shares was granted for a period of 18 (eighteen) months starting as of the date of the shareholders' resolution. On the basis of the above authorisation, purchases can be

made at a price that is no more than 20% higher or lower than the average price of the shares in the stock market sessions in the five days prior to each individual transaction or on the date the price is set and, in any event, where the purchases are made on a regulated market, at a price higher than the higher of the price of the last independent trade and the highest current independent purchase bid on the same trading venue, in compliance with the provisions of Article 3 of Delegated Regulation (EU) 2016/1052. The authorisation also establishes that the purchases shall be carried out in accordance with the provisions of Article 132 of the Consolidated Law, Article 144-*bis* of the Issuers Regulation and any other applicable regulations, as well as the market practices permitted by Consob, namely: (a) by way of a public tender or exchange offer; (b) on regulated markets in accordance with the operating procedures established by Borsa Italiana S.p.A., which do not permit the direct combination of purchase bids with pre-determined sales offers; and (c) any additional procedures established by market practices permitted by Consob. In execution of the shareholders' authorisation, on 31 May 2018 the Board of Directors voted to implement the purchase of treasury shares, charging the Chief Executive Officer with implementing the operation, in compliance with terms and conditions established by the Shareholders' Meeting.

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

1.11. Management and coordination activities

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

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

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

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

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

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

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

2. COMPLIANCE

ENAV has adopted the Corporate Governance Code, as it believes that the compliance of ENAV's corporate governance arrangements with Italian and international best practice, which is the foundation of the Code, is a key requirement for achieving the Company's objectives.

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

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

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

3. BOARD OF DIRECTORS

3.1. Composition of the Board of Directors

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

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

The Shareholders' Meeting held on 28 April 2017:

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

Roberto Scaramella, Roberta Neri, Giuseppe Acierno, Maria Teresa Di Matteo, Nicola Maione and Mario Vinzia were elected from the slate submitted by the shareholder MEF.

Fabiola Mascardi, Carlo Paris and Antonio Santi were elected from the slate submitted by institutional investors.

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

On 8 November 2018 Roberto Scaramella resigned from his position as director and Chairman of the Board of Directors of the Company. On the same date, the Board of Directors - having regard to the provisions of Article 14 of the Articles of Association and Article 2380-bis, fifth paragraph, of the Italian Civil Code, and taking account of the relevant duties of the Chairman for corporate governance - appointed the director Nicola Maione as Chairman of the Board of Directors. In particular, on the occasion of that meeting it was recognized that the Board of Directors - in view of its advisability and considering that the appointment of the Chairman of the Board of Directors is primarily the responsibility of the Shareholders' Meeting, and that the power of the Board to take action to appoint its own Chairman was exercised in order to rapidly restore corporate governance arrangements, without awaiting the time needed to call an ad hoc Meeting - could subsequently assess whether to ask the next Shareholders' Meeting, and therefore the Meeting to be called to approve the financial statements for 2018, to confirm this appointment or make a different resolution in this regard.

At the same meeting of 8 November 2018, in order to restore the Board of Directors to the number approved by the 2017 Shareholders' Meeting, the Board of Directors began the process aimed at the selection and co-optation of a new director, entrusting the accompanying preliminary work and recommendations to the Remuneration and Appointments Committee.

Following the structured preliminary enquiry, at its meeting of 11 March 2019, the Board of Directors, having regard to the imminence of the Shareholders' Meeting called to approve the financial statements, and taking account of the provisions of Article 2386 of the Italian Civil Code, decided to submit to the Shareholders' Meeting a resolution concerning the re-establishment of the full Board of Directors with the appointment of a director.

At the same meeting of 11 March 2019, having regard to the aforementioned considerations, the Board of Directors decided that the appointment of the Chairman of the Board should be submitted for a resolution of the Shareholders' Meeting, confirming the appointment made by the Board of Directors on 8 November 2018 or resolving to appoint from among the Directors the Chairman of

the Board of Directors, on the basis of the proposals that may be formulated by the Shareholders, including during the course of the Shareholders' Meeting, taking account of the composition of the Board of Directors.

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

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

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

Following the appointment of the new Chairman of the Board of Directors, corporate governance was reorganized, with particular reference to the composition of the board committees. On 13 November 2018, the Board of Directors therefore approved the following membership of the three committees, all chaired and composed mainly of independent directors:

- Control, Risks and Related Parties Committee: Antonio Santi (Chairman), Mario Vinzia and Fabiola Mascardi;
- Remuneration and Appointments Committee: Carlo Paris (Chairman), Giuseppe Acierno and Maria Teresa Di Matteo;
- Sustainability Committee: Giuseppe Acierno (Chairman), Fabiola Mascardi and Carlo Paris;

as summarized in the table below.

Membership of internal Board committees

DIRECTOR	CRRPC	RAC	SC
Giuseppe Acierno		Member	Chairman
Maria Teresa Di Matteo		Member	
Fabiola Mascardi	Member		Member
Carlo Paris		Chairman	Member
Antonio Santi	Chairman		
Mario Vinzia	Member		

CRRPC: Control, Risks and Related Parties Committee; **RAC:** Remuneration and Appointments Committee; **CS:** Sustainability Committee

As of the date of this Report, 4 ENAV directors out of 8 qualify as independent in accordance with the provisions of both the Consolidated Law and the Corporate Governance Code. The composition of the Board of Directors complies with current regulations governing gender balance.

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

Nicola Maione



Role: Chairman

Slate: majority

Participation in committees: N.A.

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

A graduate in Law from the University of Rome “La Sapienza”, he is an attorney qualified to argue before the Supreme Court of Appeals (*Corte di Cassazione*). He has extensive academic experience in civil and commercial law and is the author of numerous publications. He held positions as bankruptcy trustee, government commissioner and liquidator of cooperatives, judicial commissioner under Legislative Decree 270 of 8 July 1999 and member, as an expert, of the Supervisory Committee of the Bernardi Group S.p.A, of Go Kids S.r.l. and Nuova Sofia S.r.l. in Special Administration. He has been a legal advisor in significant corporate restructuring operations, bankruptcy proceedings and for corporate groups in special administration. He has also been chairman of the supervisory body of a leading financial company. Formerly a director of Milano Assicurazioni S.p.A. and Prelios Credit Servicing S.p.A., since December 2017 he has been a member of the Board of Directors of Banca Monte dei Paschi di Siena S.p.A. Since July 2018, he is also been a member of the Council of the Italian Banking Association.

Since 19 September 2014 he has been a member of the ENAV Board of Directors. Formerly a member of the ENAV Remuneration and Appointments Committee and the Control, Risks and

Related Parties Committee, of which is was also Chairman, since 8 November 2018 he is Chairman of ENAV's Board of Directors.

Roberta Neri



Role: Chief Executive Officer

Slate: majority

Participation in committees: N.A.

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

Already Chief Executive Officer of ENAV since June 2015, she was re-elected to that office for the current term. At its meeting on 4 May 2017, the Board of Directors resolved to grant the Chief Executive Officer all powers for the ordinary and extraordinary management of the Company, excluding only those otherwise reserved by law or the Articles of Association or those reserved to the Board based on the above resolution.

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

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

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

Giuseppe Acierno



Role: Director

Slate: majority

Participation in committees: Chairman of Sustainability Committee and member of the Remuneration and Appointments Committee

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

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

He is also Chairman of the Puglia aerospace manufacturing district since 2008 and a member of the governing body of the ITS Aerospace Puglia Foundation since 2009. Since 2013, he has been a

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

Since 28 April 2017 he has been a member of the Board of Directors of ENAV S.p.A. and since 4 May 2017 has been a member of the Board’s Remuneration and Appointments Committee and since 27 July 2018 he has been Chairman of the Sustainability Committee.

Maria Teresa Di Matteo



Role: Director

Slate: majority

Participation in committees: Member of the Remuneration and Appointments Committee

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

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

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

Fabiola Mascardi



Role: Director

Slate: minority

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

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

A graduate in Law and with a PhD in International Law, she is currently Chairman of IREN Ambiente S.p.A. and member of the Board of Directors of IREN S.p.A., a listed multiservice company active in the generation and distribution of electricity and district heating, gas distribution, integrated water cycle services and waste collection and disposal. She is also a member of the governing council of the Carlo Felice Opera House and the Istituto Superiore di Studi of the University of Genoa, IANUA. Since June 2018 she has served on the board of Ansaldo Energia S.p.A. Finally, she is a consultant in communication, international relations and business development.

She teaches the economics of utilities at the engineering department, management major, of the University of Genoa and since 2001 works with the University of Rome 2 Tor Vergata, where she is a Professor of Law and Transport Policy as part of the Antitrust and Market Regulation Master's Programme. Since 1986, she has taught at various European universities, including the Bocconi University.

She speaks English, French, Spanish and German. As an administrator at the Court of Justice of the European Union and the European Commission from 1992 to 2003 she was a member of the task force on mergers, for the Legal Service of the European Commission, on the staff of Commissioner Monti and the staff of the Vice-President of the Commission, Loyola de Palacio, where she was head of European transport policy. She worked with the Finmeccanica Group (now Leonardo) from 2003 to 2006 handling EU relations. From 2006 to 2012 she was director of external relations for Ansaldo Energia.

Since 28 April 2017 she has been a member of the Board of Directors of ENAV. From 4 May 2017 to 13 November 2018 she was a member of the Remuneration and Appointments Committee, while since 27 July 2018 she has been a member of the Sustainability Committee and since 13 November 2018 she has served on the Control, Risks and Related Parties Committee.

Carlo Paris



Role: Director

Slate: minority

Participation in committees: Chairman of the Remuneration and Appointments Committee and member of the Sustainability Committee

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

An honours graduate in Mechanical Engineering from the University of Rome "La Sapienza", he holds a Master's in Business Administration from the American University in Washington DC; an Executive Master's in Social Entrepreneurship and a Master's in the administration of non-profit entities from the Università Cattolica of Milan. He also has a Master's in Professional Coaching, plus numerous courses of neurolinguistic programming, counselling and executive seminars in financial matters.

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

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

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

Since 28 April 2017 he has been a member of the Board of Directors of ENAV. Since 4 May 2017 he has been Chairman of the Remuneration and Appointments Committee and since 13 November 2018 he has been a member of the Sustainability Committee.

Antonio Santi



Role: Director

Slate: minority

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

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

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

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

He is a member of the board of auditors and independent auditor for companies operating in various sectors: he is independent auditor of the Italian Olympic Committee, chairman of the board of auditors of Recordati S.p.A., a company listed on the Italian Stock Exchange, and of Acea Produzione S.p.A. He is a standing auditor for, among others, Acea Liquidation and Litigation S.r.l. and Asscom Insurance Brokers.

Since 28 April 2017 he has been a member of the Board of Directors of ENAV S.p.A. Since 4 May 2017 he has been a member of the ENAV Control, Risks and Related Parties Committee and its chairman since 13 November 2018.

Mario Vinzia



Role: Director

Slate: majority

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

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

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

He is professor in the Accounting, Control, Corporate and Real Estate Finance Department at the SDA School of Management at Bocconi University, where since 1988 he has lectured on corporate finance, management of financial risks, financial planning, company valuation and IAS/IFRS matters.

He is the author of numerous books and publications on financial matters.

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

He has also served on the board of 24 ORE International S.A. and since January 2019 is a non-executive director of Banca Centropadana Credito Cooperativo.

He provides consulting services, primarily in civil and penal proceedings involving derivatives and financial instruments in general and the application of international accounting standards.

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

3.2. Appointment and replacement

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

Directors are appointed by the Shareholders' Meeting based on slates presented by the shareholders, in which the candidates must be listed using consecutive numbers.

Only shareholders who alone or together with other shareholders represent at least 2.5% of the share capital or any other amount established by Consob through its own regulation, which was equal in 2019 to 1% of ENAV share capital (see Decision no. 13 of 24 January 2019 of the head of the Corporate Governance Division of Consob), are entitled to submit slates. Each slate must include at least two candidates meeting the independence requirements, who must be mentioned separately and one of whom must be placed at the top of the slate. Slates with a number of candidates equal to or greater than three must include candidates of a different gender, as indicated in the notice of call to the Shareholders' Meeting, so as to ensure that the composition of the Board of Directors is compliant with the applicable laws on gender balance.

On penalty of inadmissibility, slates shall be drawn up and filed at the Company's registered office and published in compliance with the applicable provisions of law and with these Articles of Association.

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

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

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

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

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

- 1) Directors must be selected in accordance with criteria of professionalism and expertise from persons who have experience of at least three years in:
 - a) activities involving administration or control or management within companies,
 - b) professional activities or the teaching of legal, economic, financial or technical - scientific subjects at university level, or other subjects that are relevant or in any case functional to the operations of the Company; or

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

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

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

If the verification is positive, the director shall cease from office for just cause, without being entitled to indemnification except if the Board of Directors, within the above-mentioned ten days, convenes a Shareholders' Meeting, to be held within the subsequent sixty days, in order to submit to such meeting a proposal that the director be retained in office, supporting such proposal on the grounds that retaining such director in office is in the overriding interest of the Company. If verification by the Board of Directors is carried out after the end of the financial year, then the proposal shall be submitted to the Shareholders' Meeting called to approve the relative financial statements, subject to compliance with the time limits set forth in applicable law.

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

For the purposes of the application of the aforementioned provisions of the Articles of Association, a plea agreement entered into pursuant to Article 444 of the Italian Code of Criminal Procedure is deemed equivalent to a conviction, unless the offence is extinguished. Accordingly, the Board of Directors shall ascertain the existence of the situations provided for herein, with reference to the

cases which are regulated in whole or in part by foreign jurisdiction, based on an evaluation of essential equivalence.

3.4. Succession plans

On 27 February 2018 the Company's Board of Directors, at the recommendation of the Remuneration and Appointments Committee and consistent with the resolution adopted by the interim administrative body on 21 June 2016, resolved not to adopt a succession plan for executive directors for reasons connected with the shareholding structure and because, pursuant to law and the Articles of Association, directors are appointed by the Shareholders' Meeting based on slates presented by the shareholders.

On the same date, the Board of Directors, acting on a proposal of the Remuneration and Appointments Committee, resolved to adopt a contingency plan governing the steps to be undertaken in the event of the termination of the Chief Executive Officer's service before the ordinary expiry of her term, or in the event of unforeseen and unforeseeable events that prevent the Chief Executive Officer – who is the sole executive director of ENAV – to perform her duties in order to ensure the continuity in the regular management and operations of the Company, pending appointment of a new Chief Executive Officer.

The Company prepares and updates succession plans for key management personnel in order to ensure the maximum continuity and sustainability of operations in the long term.

3.5. Maximum number of offices held in other companies

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

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

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

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

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

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

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

As of the date of this Report, based on notifications provided by the directors of the Company, the number of offices currently held by the directors of ENAV on the administrative and control bodies of significant companies is compatible with the limits set by this policy.

3.6. Induction programme

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

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

The competence of directors is not limited to their professional profile, but rather requires attention and constant updating in response to developments in the broad framework of the activity of the enterprise, not only with regard to the business in the narrow sense, but also with regard to developments in the related legislative, regulatory and corporate governance framework,⁷ with the primary objective of constantly enhancing the expertise and professionalism of each director.

On 2 February 2018, an informal session was held to address the issues of board evaluation and corporate governance. In connection with the Board’s discussion of the Business Plan, which was subsequently approved on 12 March 2018, four in-depth sessions were held concerning the Plan itself in order to ensure all the directors were as well informed as possible and foster broad agreement on the strategic issues. On 9 July 2018, a training session was held to illustrate the adjustments made to the compliance system pursuant to Legislative Decree 231/01 and the Compliance Model following the entry into force of new legislation on whistleblowing and the protection of whistle-blowers and another addressing sustainability issues. On 10 July 2018, a workshop was held dedicated to the “Market Abuse Regulation: the new rules and compliance”, during which updates and analyses of compliance issues were provided.

On 11 December 2018, a sustainability session was held to update the members of the corporate bodies on ongoing activities in the area of sustainability, with particular regard to the initiatives the Group pursues or intends to undertake with a view to preparing the Sustainability Report, which in addition to incorporating the Consolidated Statement of Non-Financial Information, includes the Group’s three-year Sustainability Plan.

The sustainability session was also intended to continue the development of an integrated approach to diversity, with the aim of consolidating, in compliance with current legal obligations, the skills and professionalism of each director.

On the same day, a strategy session was also held, during which the corporate bodies and management were able to address themes or projects of strategic importance for the Group, especially with regard to initiatives aimed at developing business in the unregulated market.

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

3.7. The Role of the Board of Directors

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

⁷ See the 2018 Report on the Corporate Governance of Italian Listed Companies – the Corporate Governance Committee.

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

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

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

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

- a) resolutions regarding the policies and strategies of the Company, as well as strategic transactions, including those proposed by the Chief Executive Officer;
- b) the approval, acting on a proposal of the Chief Executive Officer, of the Company's general organisational structure, its budget, the multi-year plan, including the Strategic Plan, the Business Plan, the Investment Plan and the Performance Plan, including with regard to the Group where applicable;
- c) approval of Programme Contracts (*Contratti di Programma*) with government entities;
- d) the formation, merger, demerger and winding up of companies or entities in which ENAV holds an interest; the acquisition or sale of equity investments in companies or entities, businesses or business units;
- e) the approval of contracts for the procurement of services, supplies and works with a value exceeding €6 million for each annual contract and exceeding €20 million for each long-term contract;
- f) the purchase and sale of real estate, the agreement of lease contracts with a term of more than nine years and the pledging of collateral;
- g) the granting of sureties, the execution of financial transactions, including insurance coverage and hedging of risks, with a value exceeding €60 million;
- h) the award of contracts for consulting and professional services with a value exceeding €100 thousand;
- i) the authorisation to conclude, acting on a proposal of the Chief Executive Officer, contracts for the sale of assets, works and services with a value exceeding €6 million for each annual contract and exceeding €20 million for each multi-year contract;
- j) the appointment of the General Manager and the specification of his duties and powers, as well as the termination of the General Manager, after having obtained the opinion of the Chief Executive Officer;
- k) decisions regarding the exercise of shareholder rights inherent in the companies and investee entities and the right to vote in the associated shareholders' meetings, with regard to the major strategic acts under the responsibility of shareholders pursuant to the provisions of law and the articles of association of the investee companies;
- l) the authorisation for subsidiaries to enter into contracts for the procurement of services, supplies and works with a value exceeding €6 million for each annual contract and exceeding €20 million for each multi-year contract;
- m) the authorisation to approve settlement agreements in litigation or the abandonment of litigation with a value exceeding €3 million.

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

The Board of Directors also oversees internal control activities.

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

Significant transactions therefore comprise:

- a) bond issues, including unlisted issues;
- b) transactions that, although falling within the corporate purpose, result in the Company entering a new line of business, i.e. activities distinguished by at least one of the following characteristics: (i) activities associated with the sale of radically different products or services than those already provided, including through the use of significantly innovative technologies; (ii) activities targeted at a different customer category⁸ than those currently served. For this purpose, activities of a purely exploratory or preparatory nature are not deemed significant transactions;
- c) operations that require the publication of an information document prepared in accordance with Consob rules;
- d) transactions governed by the risk policies approved by the Board of Directors in cases where, under the terms of these risk policies, the transactions in question, in consideration of their characteristics, fall under the responsibility of the Board of Directors even though other features of such transactions would place them under the responsibility of a delegate.

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

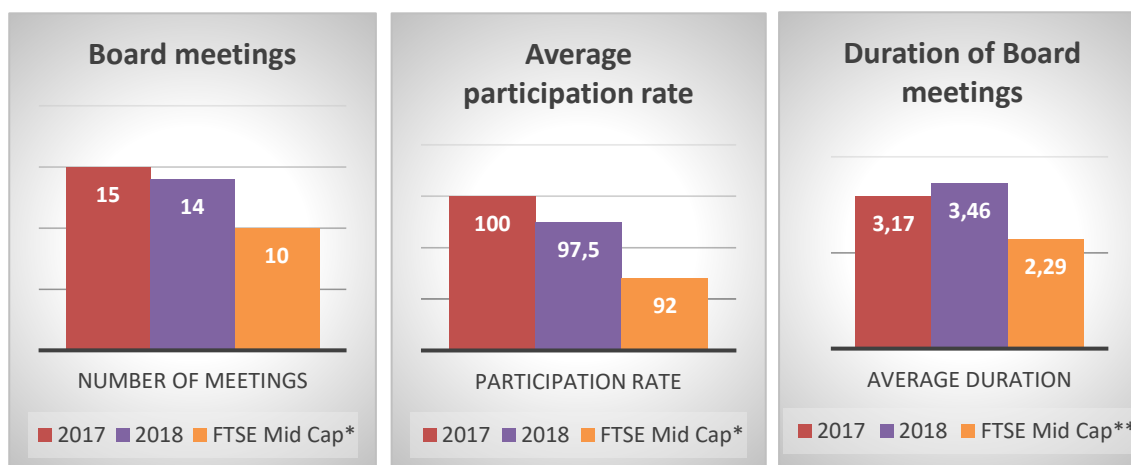
The supporting information is provided in a timely manner, is accessible and contains all the documentation required to render the directors fully informed on all the issues they are to address. Ordinarily the call, which is always made within the time limits provided for in the Articles of Association,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

In 2018, the deadlines provided for in the Articles of Association, or those agreed by the Board members, for the transmission of supporting information were always met.

The Chairman ensures that in-depth and adequate analysis of the issues on the agenda is conducted during the Board meetings.

During 2018, the Board of Directors met 14 times. The average duration of the meetings was approximately 3 hours and 46 minutes, with the attendance of 97.5% of the members of the Board of Directors, including 92.85% of the independent directors. For additional information regarding the attendance of members at the Board of Directors meetings, please see table 2 attached to the Report.

⁸ Customer categories means not just a new individual client but a new type of users.



* The European House – Ambrosetti S.p.A., 2018 Report of the Observatory on Corporate Governance Excellence in Italy. The data refer to 2017.

** Assonime, 2018 Report “Corporate Governance in Italy: self-regulation, remuneration and comply-or-explain”.

Meetings of the Board of Directors were also attended by the managers of the relevant Company departments depending on the issues on the agenda, supporting the Chief Executive Officer in providing further information on the items being discussed. With regard to 2018, the Board of Directors:

- approved, having obtained the opinion of the Control, Risks and Related Parties Committee and consulted the Board of Auditors and of the director in charge of the internal control and risk management system, the Internal Audit Plan and budget for 2018;
 - approved the 2018 Budget and Plan for the Supervisory Body;
 - approved the update of the Compliance Model pursuant to Legislative Decree 231/2001;
 - approved the Contingency Plan, acting on a proposal of the Remuneration and Appointments Committee;
 - conducted Board Evaluation activities with the support of the advisor Spencer Stuart;
 - approved, having obtained the opinion of the Control, Risks and Related Parties Committee, the risk policy for intermediation contracts;
 - approved the 2018-2022 Business Plan;
 - approved the Statement of Non-Financial Information for 2017 prepared pursuant to Directive 2014/95/EU and Legislative Decree 254/2016;
 - assessed the adequacy of organisational, administrative and accounting procedures and the internal control system and the adequacy and effectiveness of the internal control and risk management system;
 - approved, having obtained the opinion of the Control, Risks and Related Parties Committee and consulted the Board of Auditors, the updating of the guidelines for the internal control and risk management system;
 - examined the periodic report prepared by the head of Internal Audit containing, among other things, an assessment of the internal control and risk management system;
 - examined the periodic report prepared by Control, Risks and Related Parties Committee on its activities and the adequacy of the internal control and risk management system;
 - verified, with the support of the Remuneration and Appointments Committee, the effective achievement of the Chief Executive Officer’s performance objectives for 2017 in connection with the variable component of remuneration;
 - implemented the resolution by which the Shareholders’ Meeting authorised the purchase and disposal of treasury shares;

- established the Sustainability Committee, appointing its members and setting their remuneration, having obtained the opinion of the Board of Auditors, and approved its rules;
- updated the “Internal Dealing Procedure” and the “Internal Dealing Code of Conduct for Significant Shareholders” as well as the guidelines for handling inside information and maintaining the associated registers;
- updated the “Procedure for transactions with related parties”;
- approved, acting on a proposal of the Remuneration and Appointments Committee, having obtained the opinion of the Control, Risks and Related Parties Committee and consulted the Board of Auditors, the agreement concerning the termination of the employment relationship with the interim General Manager and, on that occasion, resolved the adoption of the new corporate macro-structure;
- designated two additional key managers in the persons of the Chief Operating Officer and the Chief Technology Officer, who join the Chief Financial Officer and the Chief Human Resources and Corporate Services Officer;
- approved the Code of Conduct for the fight against corruption;
- approved, having obtained the opinion of the Control, Risks and Related Parties Committee, the Risk Appetite Statement and updated the Corporate Risk Profile;
- following the resignation of the interim Chairman, appointed the new Chairman and started the process of co-opting a new director;
- approved the Company’s budget and the third-tier terminal charges for 2019;
- approved the calendar of corporate events for 2019.

For 2019, the Board of Directors has planned 12 meetings, of which 3 had been held by the date of this Report. The Board also scheduled 4 induction sessions, of which 1 was held on 25 January 2019.

In the early months of 2019, the Board of Directors:

- decided to submit to the Shareholders’ Meeting a resolution concerning the re-establishment of full Board of Directors with the appointment of a director;
- decided to ask the Shareholders’ Meeting to resolve on the appointment of Chairman of the Board of Directors, either confirming the appointment approved by the Board of Directors on 8 November 2018 or voting a different resolution in this regard;
- verified that the directors met the independence requirements established by law and the Articles of Association, as well as the Corporate Governance Code, finding continued compliance by the following directors: Giuseppe Acierno, Fabiola Mascardi, Carlo Paris e Antonio Santi;
- approved, acting on a proposal of the Remuneration and Appointments Committee, having consulted the Control, Risks and Related Parties Committee and having obtained the opinion of the Board of Auditors, the short-term variable component of the remuneration of the Chief Executive Officer for 2019, as well as the guidelines for the short-term variable remuneration of key management personnel;
- approved, having obtained the opinion of the Control, Risks and Related Parties Committee and consulted the Board of Auditors and the director in charge of the internal control and risk management system, the Internal Audit Plan and related budget for 2019;
- approved the 2019 Budget and Plan for the Supervisory Body;
- approved the amendments of the Compliance Model pursuant to Legislative Decree 231/2001;
- conducted Board Evaluation activities with the support of the advisor Spencer Stuart;

- approved the Group’s Sustainability Report for the year, which includes the Consolidated Statement of Non-Financial Information pursuant to Directive 2014/95/EU and Legislative Decree 254/2016;
- approved this Report on corporate governance and the ownership structure for the year;
- approved, after examination by the Remuneration and Appointments Committee, the Remuneration Report for the year;
- examined the periodic report prepared by the head of Internal Audit containing, among other things, an assessment of the internal control and risk management system;
- examined the periodic report prepared by Control, Risks and Related Parties Committee on its activities and the adequacy of the internal control and risk management system;
- assessed, having obtained the opinion of the Control, Risks and Related Parties Committee and consulted the Board of Auditors and the director in charge of the internal control and risk management system, the adequacy of organisational, administrative and accounting arrangements and the effectiveness of the internal control and risk management system with respect to the characteristics of the company and its risk profile;
- having obtained the opinion of the Control, Risks and Related Parties Committee, approved the results of the impairment testing of equity investments;
- approved the draft financial statements and the consolidated financial statements of ENAV at 31 December 2018;
- voted to call the annual Shareholders’ Meeting and granted the associated powers for the reports explaining the items on the agenda;
- verified, with the support of the Remuneration and Appointments Committee, the effective achievement of the Chief Executive Officer’s performance objectives for the year in connection with the variable component of remuneration;

3.8. Board Evaluation

Since the beginning of its term, the Board of Directors has conducted a structured board evaluation process, entrusting the related support activities for the duration of the term to the independent advisor Spencer Stuart, which during 2018 performed another engagement for ENAV, providing the Board with an opinion on the proposed new macro-structure of the Company.

In line with the provisions of the Corporate Governance Code, and availing itself of Spencer Stuart for coordination, the Board of Directors conducted a self-assessment of the Board itself and its committees for the year, the second year of the Board’s term. Facilitated by the advisor, it was organised into two group meetings of the Board, on 13 November 2018 and 30 January 2019, as well as an online questionnaire completed by the directors on the culture and dynamics of the Board. In addition, the previous Chairman of the Board of Directors, who served until 8 November 2018, was interviewed separately.

The aforementioned group meeting involved:

- presentation of the results of the analysis of the prevailing culture of the Board of Directors and of the individual styles of the directors. This analysis was conducted using Board culture framework developed by Spencer Stuart’s global Board Practice, which summarises the information provided by the directors in their responses to the on-line questionnaire;
- verification of the effectiveness of the actions carried out in the last year, following up on the comments of the directors during the previous self-assessment;
- further examination of a number of issues concerning the functioning of the Board and the committees, including an examination of the recommendations contained in the letter sent on 21 December 2018 by the Chairman of the Corporate Governance Committee to the management and control bodies of Italian issuers.

The results of the initiative were illustrated at a meeting held on 26 February 2019, during which the Board of Directors conducted its own self-assessment, identifying the strengths of the Board and certain areas for improvement, which will represent the starting point for evaluating the progress achieved in the next self-assessment. With the advisor's support, the three-year Board Evaluation process will continue next year with a peer review, with an analysis of the contributions of each director to the work of the Board, aimed at providing constructive individual feedback.

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

The self-assessment exercise allowed the directors to identify many strengths, including: the effective organisation of the Board's work, which is well-planned and compliant with the rules of corporate governance, with clear agendas for Board meetings; the soundness of the decision-making process, which is aimed at enabling dialogue and achieving consensus; the completeness of the information received on operations and developments in the business; the support received from the Board Secretariat and the timeliness with which the supporting documentation on the items on the agenda of Board meetings is transmitted; the commitment of the CEO and management to pursuing the various issues, including through the induction and updating sessions; the work of the Board committees, which is effectively reviewed by their respective chairmen for the Board at the earliest opportunity; the substantial compliance of the Company, even though it only recently obtained a listing, with the best governance practice, as also noted in the assessments expressed on the recommendations of the Corporate Governance Committee.

The self-assessment also highlighted a number of lines of action to pursue over the remainder of the Board's term, including: the advisability of continuing to organise the annual Strategy Day and the induction sessions, to further strengthen an understanding of the business and the Company, and to organise informal meetings to increase synergies among the directors; the sharing with the Board of the important work performed by the Control, Risks and Related Parties Committee, including through the implementation of mechanisms for coordinating the agendas of the Board and the committees and their related work plans; the advisability of illustrating to the Board of Directors, at the initiative of the Remuneration and Appointments Committee, the succession plan and the tables for replacing key management personnel.

With regard to the diversity in the criteria for appointing and replacing the members of the Board of Directors and the Board of Auditors, as well the requirements of professionalism and competence of the members of the Board of Directors and the Board of Auditor, please refer to sections 3.2, 3.3 and 7.1 of the Report. Information on the diversity of the corporate bodies is also presented in graphical format in the tables in section F. (Mix of expertise and diversity) of the executive summary (ENAV: Profile and Corporate Governance).

With regard to actions to enhance these skills and competences and the related objectives, the path taken by the Board of Directors since its appointment and planned developments to increase these skills are described in sections 3.6 (Induction Programme) and in the present section of the Report.

At the end of the three-year board evaluation process, the Board of Directors - in the last year of its term and on the occasion of the re-appointment of the Board - will carry out the relevant evaluations, in accordance with the recommendations of the Corporate Governance Code, with

regard to the Board's size and composition and regarding the professional skills whose presence on the Board would be considered appropriate.

3.9. Chairman of the Board of Directors

Until 8 November 2018, Roberto Scaramella served as Chairman of the Board of Directors, having been appointed by the Shareholders' Meeting of 28 April 2017.

On 8 November 2018, following the resignation of Scaramella from his position as director and Chairman, the Board of Directors - having regard to the provisions of Article 14 of the Articles of Association and Article 2380-*bis*, fifth paragraph, of the Italian Civil Code, and taking account of the relevant duties of the Chairman for corporate governance, also in the light of the provisions of Article 20 of the Articles of Association - appointed the director Nicola Maione as Chairman of the Board of Directors.

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

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

In addition to the powers provided for by law and the Articles of Association concerning the operation of the corporate bodies and legal representation of the Company, on 4 May 2017 the Board of Directors resolved to grant the Chairman the following powers:

- (i) coordinate audit activities, supervising the operations of the relevant departments;
- (ii) handle relations with domestic and international institutions, together with the Chief Executive Officer.

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

At its meeting of 8 November 2018, the Board of Directors voted to grant Nicola Maione the same powers and responsibilities granted on 4 May 2017 to the previous Chairman. On the same date, the Board determined that, in view of the position held, Nicola Maione retained his status as an independent director for the sole purpose of Article 148 of the Consolidated Law.

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

On 11 March 2019, the Board of Directors - having regard to the provisions of Article 14 of the Articles of Association giving the Board the power to appoint its Chairman where the Shareholders' Meeting has not done so, and thus considering that the appointment of the Chairman of the Board of Directors is primarily the responsibility of the Shareholders' Meeting - decided that the appointment of the Chairman of the Board should be submitted for a resolution of the Shareholders' Meeting, confirming the appointment made by the Board of Directors on 8 November 2018 or resolving to appoint from among the Directors the Chairman of the Board of Directors, on the basis of the proposals that may be formulated by the Shareholders, including during the course of the Shareholders' Meeting, taking account of the composition of the Board of Directors.

3.10. Chief Executive Officer

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

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

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

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

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

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

Pursuant to Application Criterion 1.C.1 (d) of the Corporate Governance Code, the Chief Executive Officer informs the Board of Directors, at least quarterly, on the activities carried out in execution of the powers granted to her.

3.11. Non-executive directors

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

3.12. Independent directors

As of the date of this Report, 4 ENAV directors out of 8 can be considered independent under the provisions of the Consolidated Law and the Corporate Governance Code.

At its meeting of 14 May 2018, the Board of Directors assessed the compliance of the interim Chairman of the Board with the requirements set out in Article 148, paragraph 3, of the Consolidated Law and the compliance of the directors Giuseppe Acierno, Nicola Maione, Fabiola Mascardi, Carlo Paris and Antonio Santi with those under Article 148, paragraph 3, of the Consolidated Law and Principle 3 of the Corporate Governance Code.

Following the appointment of Nicola Maione as Chairman of the Board of Directors, on 8 November the Board determined that he no longer qualified as independent under the provisions of the Corporate Governance Code, while continuing to meet the requirements of the Consolidated Law.

Subsequently, on 11 March 2019 the Board of Directors again assessed compliance with the requirements of law and the Articles of Association, as well as those provided for in the Corporate Governance Code, confirming that the directors Giuseppe Acierno, Fabiola Mascardi, Carlo Paris and Antonio Santi met those under Article 148, paragraph 3, of the Consolidated Law and Principle 3 of the Corporate Governance Code.

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

The independent directors met separately from the other directors and had the opportunity to exchange their assessments of the operating processes of the Board of Directors and its internal committees. They appreciated the comprehensiveness of the Board information and the fluidity of the relational dynamics among the Board members, a view that also emerged in the context of the collective board evaluation, as well as the balanced distribution of workloads connected with participation on the Board committees, consistent with the associated responsibilities and objectives. The independent directors also noted with satisfaction the growing attention devoted by the Board of Directors to sustainability issues, including, among other things, the establishment of an autonomous Sustainability Committee and the organisation of induction initiatives. With regard to training, the independent directors were positively impressed with the organisation of sessions dedicated to business and compliance issues, expressing their hope that the Board will continue in this direction, dedicating further effort to induction, especially on governance issues and other important themes. Finally, the independent directors agreed on the utility of holding dedicated meetings of independent directors on a half-yearly basis, in addition to the regular Board meetings, rotating their organisation among themselves.

3.13. Lead independent director

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

4. COMMITTEES WITHIN THE BOARD OF DIRECTORS

4.1. Remuneration and Appointments Committee

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

Until 13 November 2018, the Remuneration and Appointments Committee was composed of the directors Carlo Paris (independent non-executive director) acting as Chairman, Maria Teresa Di Matteo (non-executive director), Fabiola Mascardi (independent non-executive director) and Giuseppe Acierno (independent non-executive director). On 13 November 2018, having regard to the Board resolutions adopted on 8 November 2018 and in particular the appointment of the new Chairman of the Board of Directors of ENAV, and in order to ensure a balanced distribution of the workload of the members of the committees and to foster an exchange of knowledge, the Board of Directors approved a reorganisation of the corporate governance arrangements, with particular reference to the composition of the Board committees. As a result of this reorganisation, at the date of this Report, the Remuneration and Appointments Committee is made up of the directors Carlo Paris (independent non-executive director) acting as Chairman, Maria Teresa Di Matteo (non-executive director) and Giuseppe Acierno (independent non-executive director).

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

The composition, duties and operation of the Committee, with separate indication of the committee's functions with regard to remuneration and those concerning appointments, are governed in detail in the Committee Rules approved with a resolution of the interim Board of Directors on 21 June 2016.

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

- (a) expressing opinions to the Board of Directors regarding its size and composition and making recommendations regarding both the professional expertise that should be represented on the Board and the issues addressed under Application Criteria 1.C.3 (guidelines for the Board of Directors regarding the maximum number of positions as director or member of the board of auditors its members should hold) and 1.C.4 (exceptions to the competition restriction under Article 2390 of the Italian Civil Code) of the Corporate Governance Code;
- (b) proposing to the Board of Directors candidates for the position of director in the event of co-optation, where it is necessary to replace independent directors.

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

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

With regard to remuneration, the Remuneration and Appointments Committee is responsible for formulating proposals and providing advice, pursuant to Article 3 of the Committee Rules and in line with the provisions of Principle 6 of the Code, including:

- (a) submitting proposals or expressing opinions to the Board of Directors on the remuneration of executive directors and other directors who hold certain offices, as well as on the determination of performance targets related to the variable component of remuneration;
- (b) periodically assessing the adequacy, overall consistency and effective application of the remuneration policy for directors and key managers, making use of the information provided by the Chief Executive Officer in this latter regard;

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

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

(e) preparing, submitting to the Board of Directors and monitoring the application of incentive schemes for senior management (including share-based remuneration plans), which are designed to attract and motivate executives with an appropriate level and experience, developing their sense of loyalty, a sense of belonging and ensuring they strive constantly to create value over time.

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

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

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

In 2018, the Committee met 14 times, and the average duration of each meeting was about 1 hour and 25 minutes, with 96.43% of its members present on average. For additional information regarding the attendance of members at the meetings of the Committee, please see table 2 attached to the Report. The Committee meetings were normally attended by the Chairman of the Board of Auditors. During its activities, the Committee invited certain managers to its meetings, notably the Human Resources Officer, the General Counsel and the Chief Financial Officer, occasionally with the support of external consultants, to examine certain issues more closely.

In particular, in the course of 2018 and in the early months of 2019, the Committee, among other things:

- (i) with regard to its functions concerning remuneration:
 - formulated proposals to the Board of Directors for the remuneration structure of the Chief Executive Officer, the Chairman of the Board of Directors and the directors for their participation on Board committees;
 - formulated proposals to the Board of Directors for the remuneration policy for 2018;
 - formulated proposals on severance, welfare, social security and health insurance for the Chief Executive Officer;
 - with the support of the competent business units, prepared the Implementing Rules for the long-term incentive plan (Performance Share Plan 2017-2019) and updated the document;
 - formulated proposals to the Board of Directors for guidelines on the remuneration policy for key management personnel, as identified by the Board of Directors;
 - verified the achievement of the performance objectives related to the variable components of the remuneration of the Chief Executive Officer for 2017;
 - verified the adequacy, overall consistency and practical application of the remuneration policy for key management personnel, making use of the information provided by the Chief Executive Officer;
 - verified the consistency with the Remuneration Policy of the amounts paid to the interim General Manager in the agreement to terminate the relationships of the latter with the group companies, for subsequent approval by the Board of Directors;
 - examined the methodology and process of establishing succession plans for management;
 - formulated proposals to the Board of Directors for the remuneration policy for 2019;

- verified the achievement of the performance objectives related to the variable components of the remuneration of the Chief Executive Officer for the year;
 - examined the Remuneration Report (containing, among other things, the description of the Remuneration Policy for the year and the procedures for exercising the functions of the Committee) for approval of the Board of Directors and presentation to the Shareholders' Meeting;
- (ii) with regard to its functions concerning appointments:
- in compliance with the provisions of Application Criterion 5.C.2. of the Corporate Governance Code, provided support for Board of Directors' assessment concerning the adoption of the contingency and succession plans for top management;
 - assessed the appointment of the administrative body and board of auditors of a subsidiary;
 - carried out, with the support of an advisor, a preliminary enquiry aimed at formulating proposals for co-opting a director.

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

For 2019, as at the date of this Report, the Remuneration and Appointments Committee has planned 12 meetings, of which 4 were held in the period from 1 January 2019 to the date of this Report.

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

4.2. Control, Risks and Related Parties Committee

In application of the recommendations of the Corporate Governance Code, the Board of Directors receives support on issues concerning the internal control and risk management system from the Control, Risks and Related Parties Committee, consisting of non-executive directors, the majority of whom are independent, charged with providing recommendations and advice on such issues. With regard to the provisions contained in Article 11-*bis*.5 of the Articles of Association, The Control, Risks and Related Parties Committee is also competent for related party transactions.

Until 13 November 2018, the Control, Risks and Related Parties Committee was composed of the directors Nicola Maione (pro tempore, independent non-executive director) acting as Chairman, Mario Vinzia (non-executive director) and Antonio Santi (independent non-executive director). On 13 November 2018, having regard to the Board resolutions adopted on 8 November 2018 and in particular the appointment of the new Chairman of the Board of Directors of ENAV, and in order to ensure a balanced distribution of the workload of the members of the committees and to foster an exchange of knowledge, the Board of Directors approved a reorganisation of the corporate governance arrangements, with particular reference to the composition of the Board committees. As a result of this reorganisation, at the date of this Report, the Control, Risks and Related Parties Committee is made up of the directors Antonio Santi (independent non-executive director) acting as Chairman, Fabiola Mascardi (independent non-executive director) and Mario Vinzia (non-executive director).

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

The composition, duties and operation of the Committee are governed in detail in the Committee Rules approved with a resolution of the interim Board of Directors on 21 June 2016.

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

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

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

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

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

In order to perform its duties, the Control, Risks and Related Parties Committee is provided with the necessary resources by the Board of Directors. Moreover, within the budget established by the Board of Directors and where the specific nature of an issue requires it, the Committee may avail itself of external consultants and experts of recognised expertise in the subject matters addressed by the Committee, whose independence and absence of conflicts of interest it ascertains, also with reference to the RPT Procedure. The Committee can also access the information necessary for the performance of its duties and draw on the support of Company departments in the matters within its areas of responsibility.

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

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

In 2018, the Control, Risks and Related Parties Committee met 15 times for an average of about 2 hour and 40 minutes, with 98% attendance of its members at the meetings. The Chairman of the Board of Auditors took part in all the meetings of the Control, Risks and Related Parties Committee, while the Internal Audit Officer was present at most of the meetings. The director in charge of the internal control and risk management system is always invited to the Control, Risks and Related Parties Committee meetings in connection with the activities pertaining to risk control. The Control, Risks and Related Parties Committee meetings were also attended by managers from various corporate departments in connection with the discussion of specific issues, including those concerning related parties, periodic financial reporting, the statements of the Financial Reporting Officer pursuant to Article 154-*bis*, paragraph 5, of the Consolidated Law, identifying and monitoring ERM risks and revising the procedure for related party transactions.

More specifically, in 2018 and in the early months of 2019, the Control, Risks and Related Parties Committee, among other things, with regard to its functions concerning control and risks

- verified, having obtained the opinions of the Chief Financial Officer, the Financial Reporting Officer and the audit firm, that corporate accounting policies were used correctly and uniformly in the preparation of the periodic financial reports;
- expressed opinions on specific aspects regarding identification of the major risks faced by the Company, during meetings with (i) the head of Risk Management (now Integrated Compliance and Risk Management), (ii) the head of Business Development, (iii) the head of International Strategies and (iv) the General Counsel;
- having examined the plan of Internal Audit activities for 2018 and the multi-year planning of such activities, issued a positive opinion in this regard;
- positively evaluated the adequacy of the organisational, administrative and accounting structure of ENAV, with particular reference to the internal control and risk management system as well as the adequacy of the powers and resources available to the Financial Reporting Officer;
- positively assessed the adequacy and effectiveness of the internal control and risk management system in respect of the characteristics of the business and its risk profile;
- examined the periodic reports provided by the Internal Audit Officer regarding the assessment of the internal control and risk management system;
- examined, for subsequent approval by the Board of Directors, the policy for significant transactions;
- monitored the independence, adequacy, effectiveness and efficiency of the Internal Audit Department;
- prepared the periodic report on its activities and the adequacy of the internal control and risk management system;
- analysed internal control arrangements;
- examined the risk policies submitted for approval of the Board of Directors;
- examined the update of the guidelines of the internal control and risk management system;
- examined the annual Internal Audit Report;
- examined the annual reports of the Supervisory Body;
- examined the report on the Statement of Non-Financial Information
- examined the plan and 2018 budget of the Internal Audit Department;
- examined the plan and 2018 budget of the Supervisory Body;

- issued an opinion about the reporting on periodic risk monitoring and the Enterprise Risk Management activity plan for the year 2018;
- issued an opinion on the classification, mapping, analysis and measurement of the main risks, including those in the strategic planning process;
- examined the reports of the Supervisory Body every six months;
- consulted the head of Finance and Procurement and the audit firm concerning the Group's consolidated financial statements as at 31 December 2018;
- examined the plan and 2019 budget of the Internal Audit Department;
- examined the plan and 2019 budget of the Supervisory Body.

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

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

For 2019, the Control, Risks and Related Parties Committee has planned 12 meetings, of which 4 have been held as at the date of this Report.

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

4.3. Sustainability Committee

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

Until 13 November 2018, the Sustainability Committee was composed of the directors Giuseppe Acierno (independent non-executive director) acting as Chairman, Fabiola Mascardi (independent non-executive director) and Antonio Santi (independent non-executive director). On 13 November 2018, having regard to the Board resolutions adopted on 8 November 2018 and in particular the appointment of the new Chairman of the Board of Directors of ENAV, and in order to ensure a balanced distribution of the workload of the members of the committees and to foster an exchange of knowledge, the Board of Directors approved a reorganisation of the corporate governance arrangements, with particular reference to the composition of the Board committees. As a result of this reorganisation, at the date of this Report, the Sustainability Committee is composed of the directors Giuseppe Acierno (independent non-executive director) acting as Chairman, Fabiola Mascardi (independent non-executive director) and Carlo Paris (independent non-executive director).

The composition, duties and operation of the Sustainability Committee are governed in detail in the Committee Rules approved with a resolution of the Board of Directors on 2 August 2018.

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

- (a) monitoring sustainability policies connected with the conduct of business and stakeholder engagement activities;
- (b) examining the guidelines of the strategic sustainability plan proposed by the Chief Executive Officer and monitoring the progress of the activities and projects contained therein;
- (c) promoting ENAV's participation in sustainability initiatives and events, with a view to consolidating the Company's reputation nationally and internationally;
- (d) examining the general approach of the sustainability document proposed by the Chief Executive Officer and the structure of its contents, as well as the completeness and transparency of the information it provides, issuing a prior opinion to the Board of Directors at the meeting called to approve that document;
- (e) issuing opinions, at the request of the Board of Directors or the Chief Executive Officer, on sustainability issues.

In order to perform its duties, the Sustainability Committee is provided with the necessary resources by the Board of Directors. Moreover, within the budget that may be established by the Board of Directors and where the specific nature of an issue requires it, the Committee may avail itself of external consultants and experts of recognised expertise in the subject matters addressed by the Committee, on the condition that they do not find themselves in circumstances that compromise their independent judgement.

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

In 2018, the Sustainability Committee met 3 times, and the average duration of each meeting was about 1 hour and 30 minutes, with 87,5% of its members present on average. The Committee meetings were normally attended by the Chairman of the Board of Auditors or another standing auditor. The Committee's meetings were also attended by the Head of the Corporate Social Responsibility department, which carried out the preparatory work concerning sustainability issues.

In particular, in the course of 2018 and in the early months of 2019, the Sustainability, among other things, with regard to its functions:

- monitored and examined the three-year Sustainability Plan;
- expressed its opinion concerning the general approach of the Sustainability Report and the Consolidated Statement of Non-Financial Information pursuant to Legislative Decree 254/2016, also assessing the adequacy, transparency and comprehensiveness of the disclosure provided.

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

For 2019, the Sustainability Committee has planned 6 meetings, of which 3 had been held as of the date of this Report.

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

5. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

The guidelines of the internal control and risk management system (“ICRMS”) describe the internal control system adopted by ENAV to cover all of the Company’s activities.

ENAV’s ICRMS is composed of a set of rules, procedures and organisational units designed to enable the identification, measurement, management and monitoring of the main risks to which the Group is exposed and implementation of controls to ensure achievement of the corporate objectives of:

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

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

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

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

- the Board of Directors and the governing body of the subsidiaries
- the Board of Auditors and the control body of the subsidiaries (where present)
- the Director in charge of the internal control and risk management system
- the Control, Risks and Related Parties Committee
- ENAV’s Supervisory Body pursuant to Legislative Decree 231/2001 and those of the subsidiaries (where present)

- the Magistrate designated by Court of Auditors
- the Internal Audit Department
- the Financial Reporting Officer
- the Integrated Compliance and Risk Management Department

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



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

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

- the Board of Auditors, the Internal Audit Officer and the director in charge of the internal control and risk management system shall be invited to the meetings of the Control, Risks and Related Parties Committee;
- the magistrate designated by the Court of Auditors shall be invited to the meetings of the Board of Auditors;
- the Control, Risks and Related Parties Committee, the Board of Auditors and the Supervisory Body shall meet jointly at least twice a year;
- ENAV's Board of Auditors and the Board of Auditors of the subsidiary Techno Sky shall meet jointly at least twice a year;
- periodic meetings shall be held place between ENAV's Board of Auditors and the Internal Audit Officer, the Financial Reporting Officer and the head of Integrated Compliance and Risk Management, as well as any additional departments involved;
- the Internal Audit Officer shall be the internal member of the Supervisory Bodies.

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

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

The latter is responsible for:

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

During the year and in the early months of 2019, the Director in Charge carried out the following tasks:

- identified the major corporate risks, taking account of the characteristics of the operations of the Company and its subsidiaries, periodically bringing them to the attention of the Board for examination;
- executed the guidelines laid down by the Board of Directors and oversaw the planning, implementation and supervision of the internal control and risk management system, while verifying its adequacy and effectiveness on an ongoing basis, bearing in mind operating conditions and the legislative and regulatory environment;
- met the Board of Auditors on 5 occasions to report on the activities carried out for the purposes of this position;
- examined the 2019 activity plan and the budget of the Internal Audit Department.

5.2. Internal Audit Officer

The Board of Directors appointed Devan de Paolis as the Internal Audit Officer.

The Internal Audit Officer ensures that the Group Internal control and risk management system is functional and adequate. In particular, he is responsible for:

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

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

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

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

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

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

The Internal Audit Officer serves as the internal member of the Supervisory Body of ENAV and of the subsidiary Techno Sky, as well as Data Protection Officer in accordance with Regulation (EU) 2016/679 (the General Data Protection Regulation, or GDPR).

With regard to the whistleblowing system, Internal Audit has developed a system for managing reports of illegal or fraudulent conduct on the part of its employees or third parties in general, in particular those who have relationships with the ENAV Group. The system represents a confidential reporting channel, preserving the anonymity and confidentiality of the whistleblower. This system is part of the anti-corruption framework based on the ISO 37001 standard.

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

- proposed an update of the internal audit plan to the Board of Directors, having regard to regulatory developments and taking account of the Business Plan and the ERM risk report;
- completed 29 audit reports connected with both the activities provided for in the plan and requests from the Board of Directors, the Board of Auditors, the Control, Risks and Related Parties Committee, the Director in Charge as well as areas for which reports had been received;
- periodically monitored progress on the implementation of recommended actions (follow up);
- periodically reported to the Control, Risks and Related Parties Committee and the Board of Auditors on the progress of activities carried out;
- prepared an annual report on the activities of Internal Audit during the year;
- prepared the 2019 plan of Internal Audit activities.

On 26 February 2019, the Internal Audit Officer presented his annual report for the year to the Board of Directors, updated to the date the report was issued. He reported that no circumstances or critical issues had emerged that would call into question the adequacy of ENAV's overall internal control and risk management system.

5.3 Control system for financial reporting

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

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

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

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

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

Related Parties Committee, at the time of the approval of the draft annual financial statements and the semi-annual interim financial report, to enable their assessment of the FRCS.

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

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

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

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

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

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

The ENAV 231 Compliance Model is maintained and updated on an ongoing basis on the basis of proposals of the Supervisory Body. On 27 February 2018, in response to regulatory updates of Legislative Decree 231/2001 in 2017, namely:

- Law 179 of 30 November 2017 containing provisions for the protection of whistleblowers for reports of crimes or irregularities which have come to their knowledge in the framework of a public or private employment relationship", which amended Article 6 of Legislative Decree 231/2001 by adding 3 new paragraphs;
- the amendment of Article 25-ter of Legislative Decree 231/01 concerning corruption between individuals/incitement to corruption between individuals; and
- the introduction of new criminal offences: (i) illegal immigration, with the introduction, in Article 25-*duodecies* of Legislative Decree 231/ 2001, of two new offences; and (ii) racism

and xenophobia, with the introduction of Article 25-*terdecies* in Legislative Decree 231/2001;

the Board of Directors approved the update of the 231 Compliance Model in relation to (i) the general part with reference to whistleblowing; (ii) the list of offences contained in Annex A to the general part; (iii) special section B “Corporate and administrative offences of market abuse”; and (iv) special section F “Manslaughter and serious or severe injury committed in violation of the regulations governing workplace health and safety”, to include the travel security aspects of activities carried out abroad.

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

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

The Supervisory Body in office was appointed on 19 May 2016 and consists of two external members, Francesco Alfonso (Chairman) and Giovanni Fiori, and one internal member Devan De Paoli, the Internal Audit Officer. The Supervisory Body will remain in office until approval of the financial statements for 2018 and in any case until appointment of a new Supervisory Body.

In 2018, training sessions were conducted for Company managers on issues concerning Legislative Decree 231/2001, the Code of Ethics and corruption prevention, while an online training course was held for all company employees involved in activities considered exposed to risk under Legislative Decree 231 and anti-corruption legislation. Information materials on these issues were also distributed to personnel involved in less sensitive activities.

In 2018, the Supervisory Body of ENAV held 6 meetings and performed the activities summarised below:

- examination of the findings of targeted audits and of the planned improvement actions defined and monitoring of progress;
- examination of the information flows through internal procedures;
- examination of reports received by the Supervisory Body and checks of those concerning issues addressed by Legislative Decree 231/2001;
- coordination of classroom training concerning Legislative Decree 231/01 issues and corruption preventing for ENAV employees, delivered by Internal Audit personnel;
- start of risk assessment activity and the consequent gap analysis for the ENAV 231 Compliance Model in relation to the offenses considered by the Model, the regulatory changes introduced in Legislative Decree 231/01 and other relevant legislation (such as, for example, Regulation (EU) No. 2016/679 concerning the protection of natural persons with regard to the processing of personal data - GDPR) and recent changes in the Company’s macro-structure. This activity is preliminary to any assessment of the need to update the Model, which will be considered in the course of 2019;
- preparation of the semi-annual reports to the Board of Directors on the activities carried out by the Supervisory Body;
- preparation of the annual plan of Supervisory Body activities, accompanied by the budget request.
- meetings with the Control, Risks and Related Parties Committee and the Board of Auditors to exchange information on the internal control and risk management system.

For 2019, the ENAV Supervisory Body has planned 6 meetings, of which 2 had already been held as of the date of this Report. Among other things, it proposed a number of updates of the 231 Compliance Model and the Code of Ethics to the Board of Directors, which approved them on 26 February 2019.

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

Like ENAV, the subsidiary Techno Sky has its own 231 Compliance Model and its own Supervisory Body. The Supervisory Body of Techno Sky has the same membership and term as its ENAV counterpart and performs all of the activities necessary for the effective implementation of its 231 Compliance Model.

5.5 The audit firm

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

The 2018 Shareholders' Meeting approved an increase in the fees payable to the audit firm, in connection with the new duties and responsibilities borne by them due to current regulations, under the terms and conditions set out in the report forming the motivated proposal by the Board of Auditors to the Meeting.

5.6 The Financial Reporting Officer

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

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

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

- a) the appropriateness and effective application of the administrative and accounting procedures during the period to which the documents refer;
- b) that the documents have been prepared in compliance with applicable international accounting standards recognised in the European Union in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and the Council of 19 July 2002;
- c) that the documents are consistent with the books and other accounting records;
- d) that the documents provide a true and fair view of the performance and financial position of the Company and the companies included in the scope of consolidation;
- e) for the separate and consolidated financial statements, that the report on operations contains a reliable analysis of operations and performance, as well as the situation of the Company and the companies included in the scope of consolidation, together with a description of the main risks and uncertainties to which it is exposed;
- f) for the condensed semi-annual financial statements, that the interim report on operations includes a reliable analysis of the information referred to in paragraph 4 of Article 154-*ter* of the Consolidated Law.

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

In accordance with Article 154-*bis* of the Consolidated Law, on 11 March 2019 the Board of Directors verified the adequacy of the powers and resources available to the Financial Reporting Officer to perform the duties assigned and compliance with the related administrative and accounting procedures.

The duties and responsibilities of the Financial Reporting Officer and the powers and resources granted to that officer are governed in detail by specific rules, adopted for the first time in 2014 and regularly updated by the Financial Reporting Officer in concert with the director in charge of the internal control and risk management system. The rules were approved by the Board of Directors of ENAV on 12 March 2018.

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

5.7 The Court of Auditors

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

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

During 2018, the function of magistrate delegated by the Court of Auditors was performed by President Mauro Orefice.

In December 2018 the "*Relazione sul risultato del controllo eseguito sulla gestione finanziaria di ENAV per l'esercizio finanziario 2017*" (Report on the findings of the audit of the financial management of ENAV for the financial year 2017) was issued and is published on the Company's website in the "Governance" section.

6. REMUNERATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

The Board of Directors reviews the Remuneration Report pursuant to Article 123-ter of the Consolidated Law, the first section of which - dedicated to the Remuneration Policy for directors and key management personnel adopted by the Company - is submitted for an advisory vote to the Shareholders' Meeting. As of the date of this Report, ENAV key managers comprise the Chief Operating Officer, the Chief Technology Officer, the Chief Financial Officer and the Chief Human Resources and Corporate Services Officer.

For a discussion of the Remuneration Policy adopted by ENAV and for information on the remuneration of directors, members of the board of auditors, the former interim General Manager⁹ and other key management personnel, in addition to the information contained in this Report, please see the Remuneration Report prepared by the Company pursuant to Article 123-ter of the Consolidated Law, approved after examination by the Remuneration and Appointments Committee by the Board of Directors on 11 March 2019, which will be submitted to the Shareholders' Meeting of 26 April 2019. The Remuneration Report is published in the "Governance – Shareholders' meeting 2019" section of www.enav.it.

7. BOARD OF AUDITORS

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

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

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

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

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

Each year, the Board of Auditors conducts a self-assessment formalised in internal rules to verify the appropriateness of its membership and the effectiveness of its operations. The findings of that self-assessment are notified to the Board of Directors, which at its meeting of 2 August 2018, took note of the assessment performed by the control body for the year.

Standing and alternate auditors are appointed by the Shareholders' Meeting based on slates submitted by shareholders, in which the candidates must be listed in consecutive order and the number of candidates proposed must not exceed the number of members to be elected. Only shareholders who alone or together with other shareholders represent at least 2.5% of the share

⁹ The interim General Manager of ENAV, who had been designated as a key manager with a resolution of the Board of Directors of 17 September 2017, held office until 31 July 2018, on which date the consensual termination of all relations between the latter and the Company and the other members of the Group took effect. For more information on the terms of that agreement and the process by which it was approved, please see the Remuneration Report provided for by Article 123-ter of the Consolidated Law published in the section "Governance – Shareholders' Meeting 2019" on www.enav.it.

capital, or any other amount established by Consob through its regulation relating to the submission of slates for the appointment of the Board of Directors: under the provisions of Decision no. 13 of 24 January 2019 of the head of the Corporate Governance Division of Consob, in 2019 such percentage is equal to 1% of ENAV share capital. The curriculum vitae of each candidate must be submitted together with each slate, upon penalty of inadmissibility, as must the statements with which the individual candidates accept their candidacy and certify, under their responsibility, that there are no causes for ineligibility or incompatibility, and that they meet the integrity, professionalism and independence requirements prescribed by the applicable laws.

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

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

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

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

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

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

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

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

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

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

7.2. Composition and operation of the Board of Auditors

On 29 April 2016, the Shareholders' Meeting appointed Franca Brusco (serving as Chairman), Donato Pellegrino and Gennaro Pappacena as standing auditors, and Maria Teresa Cuomo and Ivano Strizzolo as alternate auditors until the approval of the financial statements as at 31 December 2018. On 16 June 2016, the standing auditor Gennaro Pappacena resigned and on 17 June 2016 the alternate auditor Ivano Strizzolo resigned. On 20 June 2016, the Shareholders' Meeting re-established the Board of Auditors by appointing Mattia Berti as a standing auditor with effect until the approval of the financial statements as at 31 December 2018.

The Shareholders' Meeting on 27 April 2017 resolved to re-establish the Board of Auditors by appointing a second alternate auditor in the person of Francesco Schiavone Panni.

All of the members of the Board of Auditors will remain in office until the Shareholders' Meeting called to approve the financial statements as at 31 December 2018, which will vote on the appointment of the new Board of Auditors and their associated remuneration.

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

Name	Office	Date of appointment
Franca Brusco	Chair	29 April 2016
Mattia Berti	Standing Auditor	20 June 2016
Donato Pellegrino	Standing Auditor	29 April 2016
Maria Teresa Cuomo	Alternate Auditor	29 April 2016
Francesco Schiavone Panni	Alternate Auditor	28 April 2017

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

Franca Brusco



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

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

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

She has held various roles as a member and/or chairman of boards of auditors for public and private entities. She has control positions as chairman or member of boards of auditors and has also served as non-executive director for unlisted companies.

Since 18 September 2018 she has been a standing auditor for Biancamano S.p.A. and since February 2019 she is Chairman of the Board of Auditors of Lazio Ambiente S.p.A.

Since 29 April 2016, she has been the Chairman of the Board of Auditors of ENAV and since 15 November 2018 the Chairman of the Board of Auditors of the subsidiary D-Flight S.p.A.

Mattia Berti



An honours graduate in both Economics and Business Administration and in Law from the University of Bologna, he is a certified accountant and has been a partner of the Bologna office of the La Croce firm, handling ordinary and extraordinary corporate consulting. He has received court appointments to provide independent technical advice, act as a receiver (in bankruptcy), bankruptcy commissioner and appraiser. He has published work on bankruptcy for the publishers Giuffrè and Giappichelli and has spoken at many seminars on bankruptcy. In the 2015-2016 and 2016-2017 academic years he held the post of Visiting Professor of Technique

and Analysis of Financial Statements at the University of Ferrara (Department of Law); since the 2017-2018 academic year he has held the post of speaker in seminars on the same subject, and most recently in Professional Technique, also at the University of Ferrara (Department of Economics and Management). He often undertakes work with companies as a director, liquidator or member of the board of auditors. He is currently the Chairman of the Board of Auditors of Micoperi S.p.A., Cura Gas & Power S.p.A., Protan s.r.l., and has held this position within EN.E.R. S.p.A., Fondazione Cassa di Risparmio e Banca del Monte di Lugo, Primi sui Motori S.p.A., Liverani S.r.l. and Sub Sea Oil Services S.r.l. as well. He is a non-executive director of Carimonte Holding S.p.A., while he was the court-appointed administrator of Rosa Real Estate S.p.A. He is a standing auditor with CO.R.A. S.p.A., and Alleanza Luce & Gas S.p.A.; sole member of the board of auditors of Aqseptence Group S.r.l. He has been a member of the board of auditors at ACER Ravenna and A.C.C. Coop. He is a member of the board of auditors of the AlmaLaurea University Consortium.

He is a member of the Supervisory Committee of I.M.T. S.p.A. in special administration.

Since 20 June 2016, he has been a standing auditor of the Board of Auditors of ENAV.

Donato Pellegrino



A graduate in Economics and Business Administration of the University of Rome "La Sapienza", he is a member of the Order of Certified Accountants and is entered in the Register of Auditors. He has been a secondary school professor of commercial and corporate techniques and disciplines since 1978. He has held the position of Chairman of the Consortium for the Industrial Development and Real Services of Lecce. He was a member of the Administrative Body of the Consortium Bonifica Ugento Li Foggi and was the deputy chairman thereof for eight years. He was an auditor of the Consortium Bonifica Ugento Li Foggi and of the Italian

Revenue Agency. He was the Mayor of the Municipality of San Donato di Lecce for fifteen years and a member of Regional Council of Puglia under three different governments. He was first appointed as a member of the ENAV Board of Auditors on 20 July 2015, replacing a departing auditor.

On 29 April 2016, he was reappointed as a standing auditor of the Board of Auditors of ENAV.

Maria Teresa Cuomo

She is an honours graduate in Economics and Business Administration in 1996 from the University of Salerno and has a PhD in Public Economics. A university researcher since 2001, she is currently an associate professor of "Economics and Business Management" at the Bicocca School of the University of Milan and at the University of Salerno. She became a full professor in 2012. She has gained academic and scientific research experience in Italy and abroad.

She has served as an alternate auditor of Leonardo-Finmeccanica since 2015 (appointed from the list submitted by the MEF), and a member of the assessment body of the local health authority (A.S.L) of Salerno. She has chaired the supervisory body pursuant to Legislative Decree 231/2001 of the Regional Agency for Residential Building of the Province of Salerno since 2014. Former Chairman of the board of auditors of public bodies and public foundations, from 2009 to 2012 she was a member of the board of directors of CUEIM- the University Consortium for Management Economics.

From 2009 to 2011 she chaired the Technical Control Committee of *Ente di Ambito Ottimale Servizio Integrato Risorse Idriche* of the ATO 4 Sele of Salerno. She is a columnist for the newspaper "*Corriere del Mezzogiorno*" - RCS Group *Corriere della Sera*. Since 2001, she has provided auditing and consulting services on management, financial and market issues for many private companies.

She has authored over 100 scientific publications. She is the Italian Delegate at the Global Innovation and Knowledge Academy, United States and is co-editor of the scientific journal "*Esperienza d'Impresa*" (Franco Angeli publisher). She was appointed alternate auditor of the ENAV Board of Auditors on 29 April 2016, and has performed the duties of member of the board of auditors, replacing a resigning auditor, until the body was re-established by the Shareholders' Meeting of 20 June 2016.

Francesco Schiavone Panni

He graduated in Economics and Business Administration degree from LUISS Guido Carli University in 1978, and has been a member of the Order of Certified Accountants since 1988 and entered in the Register of Auditors from 1991. From 1978 to 1983 he worked as an independent auditor at KPMG S.p.A., auditing the financial statements of large corporations and conducting training courses. In 1984 he founded the Studio Schiavone firm, developing his activity in the field of business consulting and subsequently integrating it with expertise in corporate and tax law. He chairs boards of auditors for large groups and, in particular, holds positions in the corporate bodies of companies belonging to the groups BNL S.p.A., EDF EN Italia S.p.A., Telecom Italian S.p.A. and Industria Macchine Automatiche S.p.A. He was appointed by the Bank of Italy to be the liquidator of Banca Popolare di Vicenza in mandatory liquidation and Statuto SGR Fondi Immobiliari in mandatory liquidation. He has been a member of the corporate bodies of Eni S.p.A. and SNAM S.p.A.

Since 2011 he has been a member of the Committee on Criminal Law in Economy (dealing with administrative liability of legal persons pursuant to Legislative Decree 231/01) at the Order of Certified Accountants of Rome.

Meetings and activities

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

In 2018, the Board of Auditors met 17 times for an average of 5 hours and 41 minutes, with an average attendance of 90.2%. For additional information regarding the attendance of meetings of the Board of Auditors, please see table 3 attached to this Report.

For 2019, the Board of Auditors has planned 12 meetings, of which 5 have been held as at the date of this Report.

The Chairman of the Board of Directors ensured that, subsequent to their appointment and throughout their term of office, the members of the board of auditors have been able to participate in initiatives that provide them with adequate knowledge regarding the industry of the Company, corporate developments and their evolution, and the regulatory and self-regulatory context in which the Company operates. In particular, the auditors participated and will be invited to participate in the same induction initiatives organised to the benefit of directors, as indicated in section 3.6 of this Report, which in some cases were combined with training activities organised by third parties.

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

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

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

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

- met with the Company's Supervisory Body pursuant to Legislative Decree 231/2001, receiving information and documentation and examining the report on the latter's activities for the year;
- met regularly - including on the occasion of joint meetings with the Control, Risks and Related Parties Committee - with the Director in Charge, the Financial Reporting Officer, the Chief Financial Officer, the audit firm, the Risk Management unit and other corporate units involved in the internal control system;
- met with the Chief Executive Officer of the subsidiary Techno Sky, as well as with that company's Board of Auditors, coordinating their respective activities;
- in the person of the Chairman or another auditor, regularly attended the meetings of the Remuneration and Appointments Committee, the Control, Risks and Related Parties Committee and the Sustainability Committee.

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

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

- compliance with applicable law and the Articles of Association;
- compliance with the principles of sound administration;
- the adequacy of the organisational structure and of the internal control and risk management system, including through an assessment of the work leading to the approval of the Company's new organisational macro-structure with the resolution of the Board of Directors of 27 July 2018;
- the adequacy of the administrative and accounting system and of the independent auditing of the accounts;
- periodic financial reporting, including the semi-annual financial report at 30 June 2018 and the interim financial reports at 31 March and 30 September 2018;
- the separate and consolidated financial statements;
- the drafting of the Sustainability Report containing the Non-Financial Statement;
- the corporate governance rules;
- relations with subsidiaries;
- transactions with related parties;
- the request to increase the fees and modify the audit resources and activities provided for in the engagement for audit services for the separate and consolidated financial statements of ENAV, in view of the preparation of a motivated proposal of the Board of Auditors at the Shareholders' Meeting, which approved the proposal at the meeting of 27 April 2018.

The Board of Auditors promptly verified the independence of its members following their appointment, applying the evaluation criteria pursuant to Article 144-*novies*, paragraph 1-*bis*, of the Issuers Regulation and Application Criterion 8.C.1 of the Corporate Governance Code. The Board of Auditors verified that its members continued to fulfil the independence requirements throughout the year. Pursuant to, *inter alia*, article 9 of the Rules of the Board of Auditors, in the current text as approved in the meeting of 14 May 2018, the Board of Auditors performed their annual self-assessment, whose results were communicated to the Board of Directors and to the public on 2 August 2018.

In the early months of 2019, the Board of Auditors also:

- met with the Director in Charge for the purposes of auditing the internal control and risk management system and the organisational structure and administrative and accounting arrangements, together with the other parties responsible for the internal control system;
- verified the soundness of the procedure used by the Board of Directors to assess the independence of its members;
- verified the continuing compliance of the audit firm with the independence requirements;
- issued an opinion pursuant to Article 2389, third paragraph, of the Italian Civil Code on the short-term variable component of the remuneration of the Chief Executive Officer;
- met with the control and governance bodies of the subsidiaries;
- examined the letter from the Chairman of the Corporate Governance Committee of 21 December 2018;

8. INVESTOR RELATIONS

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

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

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

The Communication and Investor Relations Department handles relations with shareholders, financial analysts and stakeholders and manages the timely release of financial information to the market. This process also includes ongoing updates provided in periodic meetings with institutional investors and participation in industry conferences, as well as the issue of information and press releases to a dedicated distribution list.

9. SHAREHOLDERS' MEETING

9.1. Role and powers of the Shareholders' Meeting

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

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

9.2. Conducting the business of the Shareholders' Meeting

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

Calling the Shareholders' Meeting

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

The ordinary Shareholders' Meeting shall be called at least once a year within 120 days of the end of the year, or within 180 days from the end of the year when there are particular requirements regarding the Company's structure and purpose, pursuant to the provisions of Article 2364, last paragraph, of the Italian Civil Code.

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

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

On the occasion of the Shareholders' Meeting called to approve the financial statements for the year, the Company will submit a proposal in the extraordinary session of the Meeting to amend the provisions of Article 7.2 of the Articles of Association concerning the calling of the ordinary Shareholders' Meeting to approve the financial statements in order to provide for it to be called at least once a year within 180 days of the end of the year as the Company is required to prepare consolidated financial statements. For more information on the proposal, please see the report of the Board of Directors on item 1 of the agenda for the extraordinary session, which is published on the Company's website www.enav.it in the section "Governance – Shareholders' Meeting 2019".

Entitlement to attend and vote at the meeting

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

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

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

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

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

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

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

Proceedings of the Shareholders' Meeting

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

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

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

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

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

Speaking at the Shareholders' Meeting

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

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

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

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

Those who have requested the floor may respond briefly.

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

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

9.3. The Shareholders' Meeting of 27 April 2018

The 2018 Shareholders' Meeting called to approve the financial statements at 31 December 2017 was held on single call on 27 April 2018, with the participation of shareholders representing 75.67% of the share capital.

The Board of Directors took part in the meeting, providing through the Chief Executive Officer complete and appropriate information to the shareholders on the items on the agenda, after having filed the reports accompanying the proposed resolutions by the statutory deadlines at the Company's registered office and published on the Company's website as well as with the other procedures established by the applicable regulations. Physical copies of these reports were also delivered to the shareholders who attended the 2018 Shareholders' Meeting, together with additional documents in order to enable the informed exercise of voting rights.

On this occasion, the Shareholders' Meeting approved the Company's financial statements for 2017 and reviewed the consolidated financial statements.

The following is an overview of other matters submitted for approval to the 2018 Shareholders' Meeting and a summary of the resolutions adopted.

Dividend

The 2018 Shareholders' Meeting resolved to pay shareholders a dividend of €100,981,153.36, equal to € 0.1864 per ordinary share. The dividend payment occurred on 23 May 2018, with an ex-dividend date of 21 May 2018 and a record date of 22 May 2018. The dividend payment notice was published in the newspapers "Il Sole 24 Ore" and "Milano Finanza" on 28 April 2018.

Remuneration Report

The 2018 Shareholders' Meeting voted in favour of the first section of the Remuneration Report prepared in accordance with Article 123-ter, paragraph 3, of the Consolidated Law, approved by the Board of Directors on 12 March 2018 and containing the remuneration policy of the Company for 2018. The Report was approved by 99.5% of the share capital present at the Meeting.

Authorisation to purchase treasury shares

The 2018 Shareholders' Meeting, subject to revocation of the previous authorisation to purchase and dispose of treasury shares voted by the Shareholders' Meeting of 28 April 2017, also in order to give effect to the "Performance Share Plan 2017-2019," approved, as proposed by the Board of Directors, the purchase and disposal of up to a maximum of 1,200,000 treasury shares on the conditions and with the limits referred to in the Shareholders' Meeting resolution.

Amendment of the engagement for the statutory audit pursuant to Articles 14 and 16 of Legislative Decree 39/2010 for 2007-2024

The 2018 Shareholders' Meeting, taking account of the request for an increase in fees advanced by the audit firm EY as a result of additional activities connected with the statutory audit of the financial statements as at 31 December 2017 and subsequent financial years up to 2024 and having assessed the motivated proposal of the Board of Auditors, approved the increase in the effort requested of the audit firm in respect of additional activities connected with auditing the financial statements for the financial years 2017-2024, increasing the fees to be paid to the audit firm for the additional activities associated with auditing the financial statements of ENAV S.p.A. for the financial years 2017-2024, performed by the audit firm in compliance with new and amended audit standards, in the total amount of €29,000 per year, or €232,000.00 overall for the entire residual term of the engagement, with the other conditions agreed upon in the engagement remaining unchanged.

10. OTHER CORPORATE GOVERNANCE PRACTICES

10.1. Directors' Interests and related party transactions

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

The Control, Risks and Related Parties Committee is also charged, pursuant to its Rules, with operating as the committee provided for in the RPT Procedure.

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

In particular, the RPT Procedure distinguishes between:

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

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

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

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

If the above conditions are met, the value of individual transactions is aggregated for the purpose of determining whether the greater importance threshold has been exceeded, which would trigger the related approval process and the reporting obligations provided for under applicable regulations.

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

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

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

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

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

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

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

In terms of its effectiveness, the required opinion is:

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

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

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

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

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

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

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

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

The rules and principles contained in the Guidelines for the management of inside information (the "MAR Guidelines"), most recently updated with the Board resolution of 13 November 2018, are aimed at ensuring compliance with the provisions of applicable market abuse laws and regulations¹⁰ and ensuring preservation of the maximum confidentiality of information that already qualifies as inside information or is otherwise likely to become such information, in order to prevent the selective dissemination of documentation and information concerning ENAV and the Group, such as advance release to certain parties, or delayed, incomplete or otherwise inadequate dissemination.

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

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

The Internal Dealing Procedure, most recently updated with a resolution of the Board of Directors on 13 November 2018, governs the disclosure obligations and the limitations on transactions involving financial instruments issued by the Company, or derivative instruments or other financial instruments linked thereto, where carried out by relevant persons and persons closely associated with them.

¹⁰ The MAR Guidelines take account of: (i) the MAR and subsequent delegated and implementing regulations; ii) the applicable provisions of Legislative Decree 58/1998 (the Consolidated Law on Financial Intermediation), as most recently amended by Legislative Decree 107/2018; and iii) the recommendations of the Consob guidelines for handling inside information, published on 13 October 2017.

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

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

10.3. Code of Ethics

In particular, the Code of Ethics governs all the rights, duties and responsibilities that ENAV expressly assumes in respect of the stakeholders with whom it interacts on a daily basis in the performance of its activities. The rules of the Code of Ethics apply to all the corporate bodies, management, employees, external associates, commercial partners, suppliers and all those who have relations with the Company and in general the companies that belong to the ENAV Group.

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

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

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

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

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

At its meeting of 26 February 2019, the Board of Directors of ENAV most recently approved the updating of the Code of Ethics in order to bring it into alignment with the current body of procedure governing certain additional principles of conduct regarding, *inter alia*: the protection of the reputation and image of the company, the protection of whistle-blowers, the prevention of corruption, personnel policy (i.e. selection, hiring and training processes), relations with national and international supervisory authorities and relations with contractors and subcontractors.

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

10.4. Code of conduct for fighting corruption

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

The management of ENAV and its subsidiaries is directly committed to complying with anti-corruption laws and to raising awareness of and disseminating these rules and principles within its organisation in order to prevent corruption, adopting a “zero tolerance of corruption” approach. In this context, in addition to the other governance and compliance arrangements already in place, on 2 August 2018 the ENAV Board of Directors approved the Code of Conduct for fighting corruption

(the “Anti-Corruption Code”), bearing in mind the provisions of ISO 37001. Compliance with the Anti-Corruption Code is mandatory for all Group companies.

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

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

Pursuant to the Anti-Corruption Code, employees report any action potentially in violation of the above legislation of which they may be informed to the Internal Audit Officer through the whistleblowing system and to the Supervisory Body.

11. CHANGES AFTER BALANCE SHEET DATE

No further changes occurred after the close of the year.

12. CONSIDERATIONS ON THE LETTER OF 21 DECEMBER 2018 FROM THE CHAIRMAN OF THE CORPORATE GOVERNANCE COMMITTEE

On 21 December 2018, the Chairman of the Corporate Governance Committee, formed by the industry associations ABI, ANIA, Assonime, Confindustria and professional investors (Assogestioni), as well as by Borsa Italiana S.p.A. (the "Corporate Governance Committee"), exercising the prerogatives entrusted thereto by the Corporate Governance Code, wrote a letter to the chairpersons of the administrative and control bodies and the chief executive officers of Italian listed companies regarding specific areas of corporate governance, offering suggestions designed to ensure better compliance by issuers with the recommendations in the Corporate Governance Code.

The recommendations in the letter were brought to the attention of the ENAV's Board of Directors at the induction session on 30 January 2019 as part of the board review and evaluation exercise and to the Board of Auditors at its meeting on 29 January 2019. The letter was also brought to the attention of the internal Board committees, which examined it at their meetings of 22 January 2019 for the Sustainability Committee, 30 January 2019 for the Remuneration and Appointments Committee and 5 March 2019 for the Control, Risks and Related Parties Committee.

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

With regard to the recommendations concerning transparency on the timeliness, completeness and accessibility of the information provided prior to Board meetings, the Board notes that the pre-board information is prompt and accompanied by all the documentation required to ensure the Directors are fully informed of all the issues submitted to their attention. The notice calling Board meetings, which is always issued in compliance with the deadlines established in the Articles of Association, normally contains all the documentation required, except for rare exceptions due to the need to supplement such documentation, which are clearly indicated in the notice calling the meeting. In particular, during the year the time limits established in the Articles of Association or otherwise agreed in advance by the Board for sending the pre-meeting documentation were complied with at all times. The documentation concerning the sessions and, in any case, the matters of Board relevance, is transmitted using a board management IT platform that ensures the maximum accessibility of the documentation and its retention, while at the same time preserving to the fullest extent the confidentiality of the information contained therein.

With regard to the recommendation concerning the strict application of the independence criteria set out in the Code, the Board of Directors conducts an in-depth annual review of the compliance of the directors with this requirement, having regard to the substance of their circumstances as well as form. None of the criteria established by the Code has been disregarded. The compliance of the evaluation process adopted for these purposes was positively assessed and verified by the Board of Auditors. Having regard to the provisions of Article 2391 of the Italian Civil Code, the Board of Directors has also adopted a practice whereby on the occasion of each meeting of the ENAV Board of Directors, the directors are invited to declare at the opening of the proceedings whether they have any interest connected with the items on the agenda.

With regard to the recommendation regarding the transparency of the procedures for conducting the board review, as detailed in section 3.8 of this Report, in the second year of its term the Board of Directors continued the three-year board evaluation process conducted with the assistance of the independent advisor Spencer Stuart, using interviews, questionnaires, induction sessions and joint self-assessments. This process includes the Board's assessment of its operations and contribution to strategic issues.

With regard to the recommendation concerning the consistency of remuneration policies with the pursuit of long-term sustainability in corporate activities, the Board of Directors, with the support of the Sustainability Committee, adopted a three-year sustainability plan in order to consolidate the integration of a sustainable business model along the entire value chain, in line with the UN's 17 objectives for sustainable development. In order to pursue these objectives, the Sustainability Plan is one of the key instruments available to focus the Company's growing attention on sustainability, moving from regulatory compliance to long-term planning, seeking to create value for all stakeholders. With this in mind, the remuneration policy for the Chief Executive Officer and management has been developed by balancing the business with the progressive completion of actions with a non-financial impact. For the same purpose, the Board of Directors, acting on a proposal of the Remuneration and Appointments Committee, for the first time introduced a sustainability objective in the 2019 policy for the short-term remuneration of the Chief Executive Officer. For more information and greater detail about ENAV's remuneration policy, please see the Remuneration Report prepared in accordance with Article 123-ter of the Consolidated Law, published in the "Governance" section of www.enav.it.

As regards diversity, in addition to gender balance on the administrative and control bodies, which is governed by legislation, as well as the Articles of Association and the Corporate Governance Code, the Company's commitment is to pursue further progress with actions targeted at the entire work force, implementing policies for diversity and equal opportunities designed to protect diversity within the Group at all phases of employees' career path.

All the objectives and actions that the Board of Directors adopts in the area of sustainability are also assessed in terms of risk.

With regard to the recommendations concerning the establishment and prerogatives of the appointments committee, the Board noted that the Company, on 21 June 2016, in the run-up to the then imminent listing and in compliance with the recommendations of the Corporate Governance Code, established the Remuneration and Appointments Committee, which was subsequently reappointed following the election of the new Board of Directors. Although this Committee is also responsible for remuneration matters, as permitted by the Articles of Association, the rules of the Remuneration and Appointments Committee approved by the Board of Directors clearly distinguish the Committee's responsibilities for remuneration issues from those concerning appointments. For more detail on the prerogatives of the Remuneration and Appointments Committee relating, respectively, to remuneration and appointments, as well as the activities the Committee performed with regard to each of these areas of responsibility, please see section 4.1 of this Report.

SECTION III - SUMMARY TABLES

TABLE 1: INFORMATION ON THE OWNERSHIP STRUCTURE

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

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

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

Board of Directors (in office since 28 April 2017)													Control, Risks and Related Parties Committee ^(b)		Remuneration and Appointments Committee ^(b)		Sustainability Committee ^(b)	
Office	Members	Year of birth	Date of initial appointment*	In office since	In office until	Slate **	Exec.	Non-exec.	Indep. Code	Indep. Consolidated Law	No. of other offices ***	(*)	(*)	(**)	(*)	(**)	(*)	(**)
Chairman ^(a)	Nicola Maione	1971	19/09/2014	28/04/2017	approval of 2019 financial statements	M	-	X	-	X	1	13/14	12/12	P	-	-	-	-
Chief Executive Officer (◊)(•)	Roberta Neri	1964	30/06/2015	28/04/2017	approval of 2019 financial statements	M	X	-	-	-	1	14/14	-	-	-	-	-	-
Director	Giuseppe Acierno	1968	28/04/2017	28/04/2017	approval of 2019 financial statements	M	-	X	X	X	-	12/14	-	-	13/14	M	3/3	P
Director	Maria Teresa Di Matteo	1958	19/09/2014	28/04/2017	approval of 2019 financial statements	M	-	X	-	-	-	11/14	-	-	11/14	M	-	-
Director	Fabiola Mascardi	1962	28/04/2017	28/04/2017	approval of 2019 financial statements	m	-	X	X	X	1	13/14	2/2	M	12/12	M	3/3	M
Director	Carlo Paris	1956	28/04/2017	28/04/2017	approval of 2019 financial statements	m	-	X	X	X	1	13/14	-	-	14/14	P	1/1	M
Director	Antonio Santi	1977	28/04/2017	28/04/2017	approval of 2019 financial statements	m	-	X	X	X	1	13/14	14/15	M/P	-	-	1/2	M
Director	Mario Vinzia	1962	29/04/2016	28/04/2017	approval of 2019 financial statements	M	-	X	-	-	-	13/14	15/15	M	-	-	-	-
AMMINISTRATORI CESSATI DURANTE L'ESERCIZIO DI RIFERIMENTO																		
Chairman ^(a)	Roberto Scaramella	1967	28/04/2017	28/04/2017	8 novembre 2018	M	-	X	-	X	-	10/10	-	-	-	-	-	-
No. of meeting held during the year:				Board of Directors: 14					Control, Risks and Related Parties Committee : 15			Remuneration and Appointments Committee : 14			Sustainability Committee: 3			
Quorum required for presentation of the minority slates for election of one or more members (pursuant to Article 147-ter of the Consolidated Law):1%																		
In the "Office" column																		
• Director in charge of the Internal Control and Risk Management System																		
◊ Chief Executive Officer or CEO.																		
* The date of initial appointment is the date on which the director was appointed for the first time to ENAV's BoD.																		
** This column indicates the slate from which each director was drawn ("M": majority slate; "m": minority slate; "BoD": slate presented by BoD).																		
***This column reports the number of positions held by the person concerned as director or member of the board of auditors in other companies listed on regulated markets, including abroad, as well as in financial companies, banks, insurance companies, or other large companies. This Report indicates the positions in full.																		
(*) This column indicates the attendance of the directors at the meetings respectively of the BoD and the committees relative to the total number of meetings they might have attended.																		
(**) This column indicates the position of the director within the Committee: "P": president/chair; "M": member.																		
(a) The office of Chairman of the Board of Directors was held by Roberto Scaramella until 8 November 2018, when Nicola Maione became Chairman.																		
(b) Following the resignation from the office director and Chairman of the Board of Directors on 8 November 2018 of Roberto Scaramella and the subsequent appointment of Nicola Maione as Chairman of the Board of Directors on 13 November 2018, the Board approved the reorganisation of the membership of the Board committees. As a result of that resolution, as from 13 November 2018 and as of the date of this Report,: (i) the Remuneration and Appointments Committee is composed of the directors Carlo Paris (independent non-executive director) acting as Chairman, Maria Teresa Di Matteo (non-executive director), Giuseppe Acierno (independent non-executive director); (ii) Control, Risks and Related Parties Committee is composed of the directors Antonio Santi (independent non-executive director) acting as Chairman, Fabiola Mascardi (independent non-executive director), Mario Vinzia (non-executive director) and (iii) the Sustainability Committee is composed of the independent non-executive directors Giuseppe Acierno (acting as Chairman), Fabiola Mascardi and Carlo Paris.																		

TABLE 3: STRUCTURE OF THE BOARD OF AUDITORS

Board of Auditors in office									
Office	Members	Year of birth	Date of initial appointment*	In office since	In office until	Slate **	Indep. Code	Attendance at Board meetings ***	No. of other offices ****
Chairman	Franca Brusco	1971	29/04/2016	29/04/2016	approval of 2018 financial statements	-	X	17/17	3
Standing auditor	Mattia Berti	1968	20/06/2016	21/06/2016	approval of 2018 financial statements	-	X	13/17	8
Standing auditor	Donato Pellegrino	1948	20/07/2015	29/04/2016	approval of 2018 financial statements	-	X	16/17	0
Alternate auditor	Maria Teresa Cuomo ¹	1973	29/04/2016	29/04/2016	approval of 2018 financial statements	-	X	-	0
Alternate auditor	Francesco Schiavone Panni	1954	28/04/2017	28/04/2017	approval of 2018 financial statements	-	X	-	8
Auditors who resigned during the year									
None.									
Number of meetings during the: 17									
Quorum required for presentation of the minority slates for election of one or more members (pursuant to Article 147-ter of the Consolidated Law): 1%									

NOTES

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

** The Board of Auditors in office as at the date of this Report was not elected using the slate voting mechanism, since the appointment took place prior to the listing of the Company's shares. The appointment with slate voting will apply at the next election of the entire body, on the occasion of the Shareholders' Meeting called to approve the financial statements for 2018.

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

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

¹ Appointed as alternate auditor of the ENAV Board of Auditors on 29 April 2016, Dr. Cuomo has performed the duties of standing auditor, replacing the resigning auditor Gennaro Pappacena until the body was reappointed by the Shareholders' Meeting of 20 June 2016.

