

LANDI RENZO S.p.A.

REMUNERATION REPORT 2016

provided pursuant to

article 123-*ter* of the Consolidated Law on Financial Intermediation, and
article 84-*quater* of the Issuers' Regulations

(Translation from Italian original which remains the definitive version)

Issuer: Landi Renzo S.p.A.

Website: www.landi.it

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GLOSSARY

Board of Directors: the Company's Board of Directors.

Board of Statutory Auditors: the Company's Board of Statutory Auditors.

Borsa Italiana: Borsa Italiana S.p.A.

Civil Code: the Italian Civil Code.

Code of Governance: The Code of Governance for listed companies as approved in March 2006 (as subsequently amended) by the Corporate Governance Committee and endorsed by Borsa Italiana, the Italian Banking Association (ABI), Italy's National Association of Insurance Firms (ANIA), the representative association of the Italian investment management industry (Assogestioni), the Association of Italian Listed Companies (Assonime), and Italy's principal business association, Confindustria, available to the public at www.borsaitaliana.it.

Issuers' Regulations: the Regulations issued by CONSOB under its Resolution No. 11971 of 1999 (as amended) concerning the regulations on issuers.

Consolidated Law on Financial Intermediation: Legislative Decree No. 58 of 24 February 1998, as amended.

Financial Year 2015: the financial period closed on 31 December 2015.

Financial Year 2016: the financial period closed on 31 December 2016.

Instructions to the Market Rules: the Instructions accompanying the Market Rules applicable to the markets organised and operated by Borsa Italiana.

Issuer or Landi Renzo or the Company: Landi Renzo S.p.A.

Market Rules: the Market Rules applicable to the markets organised and operated by Borsa Italiana.

Report: this remuneration report, prepared pursuant to article 123-*bis* of the Consolidated Law on Financial Intermediation, and article 84-*quater* of Issuers' Regulations.

SECTION I

1. INTRODUCTION

The Company establishes and applies a general remuneration policy with a view to attracting, motivating and retaining staff with the professional qualities required for the successful pursuit of the objectives of the Landi Renzo group.

The policy is the product of a well-defined and transparent process in which a central role is played by the Shareholders' Meeting, the Board of Directors, the Board of Statutory Auditors, and the Company's Remuneration Committee, the latter having been set up in accordance with the Market Rules in connection with the Company's admission to and continued presence as issuer on the STAR segment of the Milan Stock Exchange. More specifically, each of the above bodies has particular functions, as described below.

(a) *Shareholders' Meeting*

In respect of remuneration, the Shareholders' Meeting:

- determines the compensation due to the members of the Boards of Directors and Board of Statutory Auditors, pursuant to article 2364, first paragraph, part (3), of the Civil Code;
- pursuant to article 123-ter, sixth paragraph, of the Consolidated Law on Financial Intermediation, it provides a non-binding, advisory opinion on the section of the remuneration report concerning the remuneration policy for the members of the Board of Directors, General Managers and other executives with strategic responsibilities as defined by the Board of Directors (on proposal of the Remuneration Committee); and
- approves by resolution any compensation schemes based upon shares or other financial instruments that are addressed to members of the Board of Directors, employees and/or consultants, including executives with strategic responsibilities, pursuant to article 114-bis of the Consolidated Law on Financial Intermediation.

(b) *Board of Directors*

In respect of remuneration, the Board of Directors:

- determines the remuneration of those Directors holding particular duties, having consulted with the Board of Statutory Auditors and at the proposal of the Remuneration Committee;
- establishes a Remuneration Committee from among its members, which must include at least one member with appropriate expertise and experience in financial matters or remuneration policies, the Board of Directors assessing the relevant individual's knowledge at the time of their appointment;

- determines, at the proposal of the Remuneration Committee, the policy regarding the remuneration of directors and executives with strategic responsibilities;
- approves the remuneration report prepared pursuant to article 123-ter of the Consolidated Law on Financial Intermediation, the first part of which is the subject of a non-binding vote from the Shareholders' Meeting;
- with the support of the Remuneration Committee, draws up the terms of any compensation schemes based upon shares or other financial instruments, and puts them to the Shareholders' Meeting for approval pursuant to article 114-bis of the Consolidated Law on Financial Intermediation; and
- with the support of the Remuneration Committee, implements any compensation schemes based upon shares or other financial instruments, in accordance with instructions delegated by the Shareholders' Meeting.

(c) ***Remuneration Committee***

Information regarding the duties and the role of the Remuneration Committee may be found in section 3.1 of this Report.

(d) ***Executive Directors***

In respect of remuneration, the Executive Directors:

- submit any compensation schemes based upon shares or other financial instruments to the Remuneration Committee, and if appropriate assist the Remuneration Committee with the preparation of such schemes;
- provide the Remuneration Committee with such information as it requires for the purpose of assessing the appropriateness and effective application of the general remuneration policy, with regard in particular to the remuneration of executives with strategic responsibilities; and
- implement the Company's remuneration policies in a manner consistent with this Report.

(e) ***Board of Statutory Auditors***

In relation to matters of remuneration, the Board of Statutory Auditors has an advisory role, under which it provides those opinions required by relevant legislation, in particular opinions on proposals for the remuneration of Executive Directors, and of Directors with particular duties more generally; as part of that process, the Board assesses the proposals the Remuneration Committee submits to the Board of Directors for consistency with the general remuneration policy.

In addition, the Board of Directors, the Board of Statutory Auditors and the Remuneration Committee are responsible for ensuring that the remuneration policy is properly implemented and appropriately applied.

The Company did not base itself upon the remuneration policy of any other companies in reaching its own general remuneration policy.

2. **AIMS AND PRINCIPLES**

The remuneration policy that the Company applies is intended to ensure competitiveness with the reference market, to provide appropriate means of assessing performance, and to align the interests of the executive directors and executives with strategic responsibilities with the pursuit of the Company's main objective, the creation of shareholder value in the medium to long term, through the creation of a powerful connection between individual performance and individual remuneration. The principles underlying the remuneration policy applied to the Company, the objectives pursued and the remuneration policy are consistent with the remuneration policy applied to the Company in the past.

3. **REMUNERATION COMMITTEE**

3.1 **Composition and function of the Remuneration Committee (pursuant to article 123-bis, second paragraph, of the Consolidated Law on Financial Intermediation)**

As at the date of this Report, the Company's Remuneration Committee is comprised of two Directors, namely Tomaso Tommasi di Vignano, as chair of the Committee, and Alessandro Ovi, both of them as Non-Executive Independent Directors.

The meeting of the Board of Directors of 24 April 2013 decided that each of the Remuneration Committee's members will receive gross annual compensation of Euro 5,000 for their work in each of the three financial years ended and ending 31 December 2013, 2014 and 2015.

The work of the Remuneration Committee is governed by its own internal rules, which provide *inter alia* that the Company's Managing Director may take part in its meetings, but he may not vote upon the Committee's business, and he must not attend if the discussions or resolutions regard proposals as to his own remuneration.

In the course of Financial Year 2015, the Remuneration Committee held one 19-minute meeting which was attended by directors Tomaso Tommasi di Vignano and Alessandro Ovi, as well as, on proposal of the Remuneration Committee, Fiorenzo Oliva, as the Company's advisor, with no voting right. The meeting was also attended by the members of the Board of Statutory Auditors. The Remuneration Committee is expected to meet at least once during current financial year. The meeting of the Remuneration Committee was duly minuted.

3.2 **Duties of the Remuneration Committee**

The Remuneration Committee has the duty of preparing proposals for consideration by the Board of Directors regarding the remuneration of the Managing Director and Directors with particular duties. Members of the Remuneration Committee who are directly affected by particular proposals are required to be absent for the duration of

their consideration. The Committee also periodically evaluates the criteria that are used to determine the remuneration of executives with strategic responsibilities, and it monitors their application and makes general recommendations in this area.

Additionally, the Remuneration Committee submits proposals or expresses opinions to the Board of Directors regarding the remuneration of Executive Directors and other Directors with particular duties, and the establishment of performance objectives in connection with the variable component of such remuneration; and it monitors the application of those decisions by the Board of Directors, in particular with respect to the actual achievement of performance objectives.

In connection with the performance of its duties, the Remuneration Committee has access to such information and business departments as it may require, and it has not considered it necessary to rely on external advisors, drawing instead upon internal resources. The Remuneration Committee has not made use of the services of any advisor for the purposes of obtaining information on remuneration practices in the market.

In the course of the Financial Year 2015, the Remuneration Committee submitted proposals to the Board of Directors on the remuneration of the Chief Executive Officer, Mr Stefano Landi, and of the Managing Director, Mr Claudio Carnevale, and the establishment of performance objectives in connection with the variable component of such remuneration. It has also verified the application of the proposals previously put forward with regard to the remuneration of the Managing Director and the other Executive Directors for the financial year ended 31 December 2014.

4. REMUNERATION POLICY

Under the Company's articles of association, the Board of Directors is granted emoluments by the Shareholders' Meeting, which may comprise both a fixed and variable component, the latter being linked to the achievement of specific objectives and/or the Company's financial results.

The Company believes that the remuneration policy as approved by the Board of Directors is consistent with the pursuit of medium to long-term interests of the Issuer. In particular, the Board of Directors established that the variable part of the remuneration shall represent a considerable percentage of the overall remuneration also with regard to the fixed component. Furthermore, a major portion of such a variable component shall be linked to specific and strategic performance objectives of the Company, such as for example the EBITDA, a financial figure which can be clearly appreciated by the market.

Compliance with the pursuit of medium to long-term interests of the Issuer is also guaranteed by the terms of payment of the variable component, which is paid according to progressive thresholds based on the performance objectives reached. Consequently, in the event that all the objectives are achieved, the maximum amount of the variable component is paid as variable remuneration; conversely if none of the performance objectives is achieved, no amount is paid as variable remuneration.

Lastly, compliance with the pursuit of long-term interests of the Issuer is also guaranteed by the provision, whereby a portion of the variable remuneration must be

also computed on the EBIT increase (in absolute terms) overall recorded in the three-year period 2016-2018 against the increase foreseen, for the same period, in the Business Plan approved by the Board of Directors of 9 March 2016. In this event, the variable portion of the remuneration will be paid only at the end of the three-year period, provided that the recipient's relation with the Company is continuing.

In any event, the maximum amount of the variable remuneration shall be limited to Euro 2,000,000, for the three-year period and for all Executive Directors.

Having regard to this aspect, the Board of Directors may provide, by way of separate regulations, specific procedures to protect the Company and the directors and executives with strategic responsibilities in the event of early termination of their relation for specific causes (for instance, resignation and/or revocation for cause or without cause, force majeure circumstances, etc.).

The Board of Directors confirmed the remuneration policy in respect of the relevant variable component for directors and executives for Financial Year 2016 consistently with the remuneration policy approved for Financial Year 2015.

4.1 **Executive Directors**

Subject to the Board of Directors' freedom under article 2389, third paragraph, of the Civil Code to grant further remuneration to those Directors who hold particular duties, the fixed component of Executive Directors' remuneration will be determined by the Shareholders' Meeting of 24 April 2013.

In terms of the variable component, the Market Rules for inclusion on the STAR segment require the Company to establish a Remuneration Committee, and for a significant part of the remuneration of Executive Directors and other senior executives to be incentive-based.

Consequently, at the meeting of the Board of Directors of 14 March 2016, consistently with the remuneration policy adopted for Financial Year 2015, the Remuneration Committee informed the Board that it considered that the additional requirement for companies listed on the STAR segment, regarding the variable component in the remuneration of Executive Directors and executives with strategic responsibilities, meant that particularly challenging objectives should be set, and payment of the variable component for Financial Year 2016 should depend upon their achievement. The Remuneration Committee proposed that it would identify those objectives bearing in mind, *inter alia*, the role played by the Executive Directors and the senior executives, the demands made upon them by their duties, and the Company's position in the market, its size, and its prospects for growth.

On the basis of the indications provided by the Remuneration Committee, the meeting of the Board of Directors of that same day emphasised how payment of the variable component had to be determined in a manner that: (i) took account of the requirement that a significant part of the remuneration of Executive Directors should be linked to the financial results achieved by the Company and/or the achievement of objectives previously identified by the Board of Directors; and (ii) be such as to ensure that the Executive Directors' interests aligned with the pursuit of the Company's main objective, the creation of shareholder value in the medium to long term. More

particularly, the Board of Directors resolved, with the Board of Statutory Auditors' consent, in favour of the payment to the Executive Directors of a variable component of remuneration that would be subject to the achievement of specific objectives regarding the Group's revenues, EBITDA and working capital that had been set out in the Company's budget for the Financial Year 2016. In particular, the Board of Directors further established the following:

- (a) a portion of the variable remuneration, equal to 40% of the fixed annual gross remuneration for the Financial Year 2016, should be calculated as follows:
 - (i) 20% upon achievement of the objective for the Group's revenues;
 - (ii) 50% upon achievement of the objective for the Group's EBITDA; and
 - (iii) 30% upon achievement of the objective for the Group's working capital;
- (b) in the event that all three objectives (revenues, EBITDA and working capital) are achieved, each Executive Director will receive the maximum amount of the variable component, i.e. 40% of the fixed annual gross remuneration;
- (c) in the event that none of the three objectives (revenues, EBITDA and working capital) is achieved, the Executive Directors will receive no amount as variable component;
- (d) in the event that only one or two of the aforesaid objectives are achieved, each Executive Director will receive the corresponding percentage of the gross annual variable remuneration;
- (e) a further portion of the variable remuneration will be calculated also on the overall increase (in absolute terms) of the EBIT over the three-year period 2016- 2018 compared to the overall increase planned for the same period by the Business Plan approved by the Board of Directors of 9 March 2016. Said remuneration is equal to 5% of the above increase up to a maximum amount of such further variable payable remuneration which may not exceeding twice the average of the annual base remuneration for the three-year period. Such variable portion of the remuneration will be paid only at the end of the three-year period, provided that the recipients have an ongoing relation with the Company, without prejudice for the Board of Directors to provide specific procedures to protect the Company and its directors in the event of early termination of such relation for specific causes (for instance, resignation and/or revocation for cause or without cause, force majeure circumstances, etc.); lastly
- (f) the maximum amount of the overall variable remuneration, for the three year period and for all Executive Directors, is determined in Euro 2,000,000.

4.2 **Non-Executive Directors**

The gross annual remuneration of the Company's Non-Executive Directors will not be linked to the Company's achievement of any financial results but rather upon the commitment required of each such person in the performance of their duties.

4.3 **Compensation for participation in committees**

By a resolution of the Board of Directors dated 24 April 2013, the Company decided upon a specific compensation equal to Euro 5,000.00 to those Directors who are also members of a committee within the Board, namely the Audit and Risk Committee and the Remuneration Committee.

4.4 **General Manager**

As at the date of this Report, the Company has appointed no General Manager.

4.5 **Executives with strategic responsibilities**

With regard to the variable component of remuneration for those executives with strategic responsibilities, which is a requirement for obtaining and maintaining listing on the STAR segment, the current legislative and regulatory environment requires a significant part of remuneration for executives with strategic responsibilities to be incentive-based, with payment conditional upon achievement of individual or business-wide objectives.

In that light, and on the basis of the indications provided by the Remuneration Committee, the Board of Directors resolved at its meeting of 14 March 2016 that the executives with strategic responsibilities would receive a variable component of remuneration that would be subject to the achievement of the specific objectives regarding the Group's revenues, EBITDA and working capital that had been set out in the Company's budget for the Financial Year 2016 and quantified for the Executive Directors (see section 4.1 above). At the same meeting, in particular, the Board of Directors further established that:

- (a) for the Financial Year 2016, the variable component of remuneration for each of the executives with strategic responsibilities would be for up to 30% of the gross fixed component of their remuneration;
- (b) the variable component would be determined as follows:
 - (i) 40% of the maximum under the variable component would be paid to each executive with strategic responsibilities upon achievement of the business objectives in terms of the Group's revenues, EBITDA and working capital, in the manner and with the mechanisms established for the Executive Directors; and
 - (ii) 60% of the variable component payable to each executive with strategic responsibilities, upon achievement of the individual objectives identified for each by the Managing Director;
- (c) in the event that all three business-wide objectives (the Group's revenues, EBITDA and working capital) were achieved, and the particular executive with strategic responsibilities also achieved their specific individual objectives as described above, then they receive the whole of their gross annual variable remuneration, being 30% of their gross fixed remuneration;

- (d) in the event that the three business-wide objectives (the Group's revenues, EBITDA and working capital) were not achieved, and neither were the specific individual objectives of the particular executive with strategic responsibilities, nothing would be paid to such executive;
- (e) in the event that all three business-wide objectives (the Group's revenues, EBITDA and working capital) are all achieved, but the particular executive with strategic responsibilities has not also achieved their specific individual objectives as described above, then they receive 40% of the total amount of the variable component of remuneration;
- (f) in the event that the particular executive with strategic responsibilities has achieved their specific individual objectives as described above, but the three business-wide objectives (the Group's revenues, EBITDA and working capital) are not all achieved, then they receive 60% of the total amount of the variable component of remuneration;
- (g) in the event that the particular executive with strategic responsibilities has achieved their specific individual objectives as described above, and one or two of the three business-wide objectives (the Group's revenues, EBITDA and working capital) are achieved, then they receive 60% of the total amount of the variable component of remuneration, and the percentage of the variable remuneration to which they are entitled for the achievement of those business-wide objectives; lastly
- (h) an additional portion of the variable remuneration will be computed also on the overall increase (in absolute terms) of the EBIT in the three-year period 2016-2015 compared to the overall increase planned, for the same period, by the Business Plan approved by the Board of Directors of 9 March 2016. Said remuneration is equal to 5% of the above increase up to a maximum amount of such further variable payable remuneration which may not exceeding twice the average of the annual gross remuneration for the three-year period. Such variable portion of the remuneration will be paid only at the end of the three-year period, provided that the recipients have an ongoing relation with the Company, without prejudice for the next Board of Directors to provide specific procedures to protect the Company and its executives with strategic responsibilities in the event of early termination of such relation for specific causes (for instance, resignation and/or revocation for cause or without cause, force majeure circumstances, etc.).

As at the date of this Report, the Company has identified only one executive with strategic responsibilities. Taking into consideration the corporate and organizational of Landi Renzo, the Company deemed it not necessary to identify further executives with strategic responsibilities, as there are no additional managers with the power and responsibility, directly or indirectly, to planning, directing and controlling activities of the Company.

4.6 **Benefits in kind**

Under the Company's general remuneration policy, some members of the Board of Directors and the executives with strategic responsibilities receive benefits in kind,

such as a company car. The terms of such arrangements are agreed with the personnel department.

4.7 Equity incentive schemes

As at the date of this Report, there are no securities-based incentive schemes in place with the members of the Board of Directors, employees and independent contractors of the Company, or members of the Boards of Directors, employees and contractors of other controlling companies or subsidiaries.

4.8 Lock-up agreements regarding financial instruments

As at the date of this Report, the Company has not entered into any agreements with provisions that restrict the sale or disposal of financial instruments following their acquisition.

4.9 Compensation to Directors in the event of their dismissal or resignation, or loss of office following a public tender offer (pursuant to article 123-bis, paragraph 1, part (i), of the Consolidated Law on Financial Intermediation)

As at the date of this Report, there are no agreements in place between the Company and any members of the Board of Directors that provide for the payment of compensation in the event of their dismissal, resignation, and/or revocation of their office for reasons other than gross misconduct or breach of contract, or for loss of office following a public tender offer.

4.10 Insurance and pension provision

The Company's remuneration policy does not provide for any insurance or pension provision in addition to those required by law.

4.11 Remuneration policy with reference to Independent Directors, and the performance of particular duties. Deferred payment systems

As at the date of this Report, the Company does not have a remuneration policy with reference to Independent Directors, the conduct of particular duties.

Having regard to deferred payment systems, the Board of Directors established that a portion of the variable remuneration of directors and executives with strategic responsibilities (i.e. the portion computed on the increase – in absolute terms - of the EBIT attained at the end of the three-year period 2016-2018 compared to the overall increase, for the same period, as foreseen in the Business Plan approved by the Board of Directors of 9 March 2016, based on a pre-set percentage) be paid to the recipients at the end of the three-year period provided that their relation with the Company is continuing.

SECTION II

PART A

1. COMPENSATION TO THE BOARD OF DIRECTORS

Stefano Landi, Chairman of the Board of Directors, Executive Director and Chief Executive Officer

The meeting of the Board of Directors of 24 April 2013 resolved to award to Mr Stefano Landi gross fixed annual compensation of Euro 100,000 for his role as Chairman of the Board of Directors, while the Board of Directors of 13 March 2015 resolved to award to Mr Stefano Landi gross fixed compensation of Euro 200,000 for Financial Year 2015 as Director in charge of special roles.

In the course of the Financial Year 2015, the Chairman of the Board of Directors, Mr Stefano Landi, received also non-monetary benefits for a value of Euro 6,746, which correspond to the value of his compensation in kind, and Euro 4,000 as attendance fees for his attendance at the meetings of the Board of Directors.

Mr Stefano Landi received also compensation of Euro 20,000 as Chairman of the Board of Directors of the Company's subsidiaries, Lovato Gas S.p.A and SAFE S.p.A.

In consideration of the failure to achieve the performance objectives set for the Financial Year 2014, the Chief Executive Officer Mr Stefano Landi did not receive any variable remuneration.

Giovannina Domenichini, Non-Executive Director

The meeting of the Board of Directors of 24 April 2013 resolved to award to the Non-Executive Director and Honorary Chair of the Board of Directors, Ms Giovannina Domenichini, a gross fixed annual compensation of Euro 15,000.

In the course of the Financial Year 2015, Ms Giovanna Domenichini received also Euro 3,500 as attendance fees for attendance at the meetings of the Board of Directors.

Claudio Carnevale, Executive Director and Managing Director

The meeting of the Board of Directors of 24 April 2013 resolved to award to the Executive Director Mr Claudio Carnevale gross fixed annual compensation of Euro 15,000 for his role as Director, while the Board of Directors of 13 March 2015 resolved to award further gross fixed compensation of Euro 200,000 for Financial Year 2015 as Director in charge of special roles.

Additionally, Mr Claudio Carnevale received Euro 5,000 for his role as Director of the Company's subsidiary Emmegas S.r.l..

In consideration of the failure to achieve the performance objectives set for the Financial Year 2014, the Managing Director Claudio Carnevale did not receive any variable remuneration.

In the course of Financial Year 2015, the Executive Director Mr Claudio Carnevale received non-monetary benefits of Euro 3,615, corresponding to the value of compensation in kind, and Euro 3,500 as attendance fees for his attendance at the meetings of the Board of Directors.

Herbert Paiarl, Non-Executive Director

The meeting of the Board of Directors of 24 April 2013 resolved to award to Non-Executive Director Mr Herbert Paiarl a gross fixed annual compensation of Euro 15,000.

In the course of the Financial Year 2015, Mr Herbert Paiarl received also Euro 4,000 as attendance fees for attendance at the meetings of the Board of Directors.

Antonia Fiaccadori, Non-Executive Director

The meeting of the Board of Directors of 24 April 2013 resolved to award to Non-Executive Director Ms Antonia Fiaccadori gross fixed annual compensation of Euro 15,000.

In the course of the Financial Year 2015, Ms Antonia Fiaccadori received also Euro 3,500 as attendance fees for attendance at the meetings of the Board of Directors.

Additionally, Non-Executive Director Ms Antonia Fiaccadori received Euro 77,503 as fixed remuneration from employment inclusive of all social security and tax charges payable by the employee and net of any mandatory collective social security charges payable by the Company and the allocation to the severance indemnity fund.

Alessandro Maria Ovi, Independent Director

The meeting of the Board of Directors of 24 April 2013 resolved to award to the Independent Director Mr Alessandro Maria Ovi gross fixed annual compensation of Euro 15,000.

In the course of Financial Year 2015, the Independent Director Mr Alessandro Ovi received also Euro 10,000 as compensation for his participation on the Audit and Risk Committee and the Remuneration Committee; and Euro 3,500 as attendance fees for his attendance at the meetings of the Board of Directors.

Tomaso Tommasi di Vignano, Independent Director

The meeting of the Board of Directors of 24 April 2013 resolved to award to the Independent Director Mr Tomaso Tommasi di Vignano gross fixed annual compensation of Euro 15,000.

In the course of the Financial Year 2015, the Independent Director Mr Tomaso Tommasi di Vignano received also Euro 10,000 as consideration for his participation on the Audit and Risk Committee and the Remuneration Committee; and Euro 3,500 as attendance fees for his attendance at the meetings of the Board of Directors.

2. **COMPENSATION TO THE BOARD OF STATUTORY AUDITORS**

Eleonora Briolini, Chair of the Board of Statutory Auditors

The ordinary Shareholders' Meeting of 24 April 2013 resolved to award to the Chair of the Board of Statutory Auditors Ms Eleonora Briolini gross annual compensation of Euro 35,000, and reimbursement of such documented expenses as she incurred in the performance of such duties.

Luca Gaiani, acting Statutory Auditor

The ordinary Shareholders' Meeting of 24 April 2013 resolved to award to the acting Statutory Auditor Mr Luca Gaiani gross annual compensation of Euro 25,000, and the reimbursement of such documented expenses as he incurred in the performance of such duties.

In addition, for the period 2015 Mr Luca Gaiani received compensation of Euro 30,000 as acting Statutory Auditor of the Company's subsidiaries Lovato Gas S.p.A., SAFE S.p.A. and AEB S.p.A..

Marina Torelli, acting Statutory Auditor

The ordinary Shareholders' Meeting of 24 April 2013 resolved to award to the acting Statutory Auditor Ms Marina Torelli gross annual compensation of Euro 25,000, and the reimbursement of such documented expenses as she incurred in the performance of such duties.

In addition, for the period 2015 Ms Marina Torelli received compensation of Euro 35,000 as chair of the Board of Statutory Auditors of the Company's subsidiary SAFE S.p.A. and as acting Statutory Auditor of the Company's subsidiaries Lovato Gas S.p.A. and AEB S.p.A.

3. **COMPENSATION TO EXECUTIVES WITH STRATEGIC RESPONSIBILITIES**

In the course of Financial Year 2015, the sole executive with strategic responsibilities was paid Euro 50,000 in aggregate as gross compensation for his role as Managing Director in the Company's subsidiary A.E.B. S.p.A..

In consideration of the failure to achieve the performance objectives set for Financial Year 2015, the sole executive with strategic responsibilities did not receive any variable remuneration.

In the course of Financial Year 2015, the executive with strategic responsibilities was also paid benefits in kind to an aggregate value of Euro 3,412 by the Company's subsidiary AEB S.p.A..

PART B

The following tables set forth details of compensation paid in the Financial Year 2014, on any basis and in any form, by the Company or the subsidiaries and affiliates of the Issuer.

Table 1 (Form 7-bis): Compensation paid to members of the Board of Directors and supervisory board, General Managers, and other executives with strategic responsibilities¹

(A)	(B)	(C)	(D)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Full name	Office held	Period for which office is held	Expiry of term of office	Fixed compensation	Compensation for participation in committees	Variable <i>non equity</i> compensation	Benefits in kind	Other compensation	Total	Fair value of the equity compensation	Compensation at end of office or for termination of employment
Board of Directors											
Giovannina Domenichini	Honorary Chairman	01/01/2015 - 31/12/2015	Approval of financial statements 2015			Bonus and other incentives	Participation in dividends				
	Compensation in the company preparing the financial statements			15,000 (emoluments)					18,500		
	Compensation from subsidiaries or controlled companies										
	Total			18,500					18,500		
Stefano Landi	Chairman of the Board of Directors	01/01/2015 - 31/12/2015	Approval of financial statements			Bonus and other incentives	Participation in dividends				

¹ Figures shown in the tables are in Euros.

2 This compensation was received by Ms Antonia Fiaccadori as an employee of Landi Renzo and executive manager with strategic responsibilities

			2015									
	Compensation in the company preparing the financial statements			300,000 (emoluments) 4,000 (coins)				6,746		310,746		
	Compensation from subsidiaries or controlled companies			20,000						20,000		
	Total			324,000				6,746		330,746		
Claudio Carnevale	Consigliere Delegato	01/01/2015 - 31/12/2015	Approval of financial statements 2015			Bonus and other incentives	Participation in dividends					
	Compensation in the company preparing the financial statements			215,000 (emoluments) 3,500 (coins)				3,615		222,115		
	Compensation from subsidiaries or controlled companies			5,000						5,000		
	Total			223,500				3,615		227,115		
Herbert Paierl	Consigliere	01/01/2015 - 31/12/2015	Approval of financial statements 2015			Bonus and other incentives	Participation in dividends					
	Compensation in the company preparing the financial statements			15,000 (emoluments) 4,000 (coins)						19,000		

	Compensation from subsidiaries or controlled companies										
	Total			19,000					19,000		
Antonia Fiaccadori	Consigliere	01/01/2015 - 31/12/2015	Approval of financial statements 2015			Bonus and other incentives	Participation in dividends				
	Compensation in the company preparing the financial statements			15,000 (emoluments) 3,500 (coins) 77,503 ²					96,003		
	Compensation from subsidiaries or controlled companies			50,000				3,412	53,412		
	Total			146,003				3,412	149,415		
Alessandro Maria Ovi	Consigliere	01/01/2015 - 31/12/2015	Approval of financial statements 2015			Bonus and other incentives	Participation in dividends				
	Compensation in the company preparing the financial statements			15,000 (emoluments) 3,500 (coins)	10,000 ³				28,500		

² These compensations have been received by Ms. Fiaccadori as employee of Landi Renzo and executive with strategic responsibilities.

³ The independent Director Mr. Ovi is member of (i) the Control and Risk Committee (for the participation in which he receives an annual total compensation of Euro 5,000), (ii) the Remuneration Committee (for the participation in which he receives an annual total compensation of Euro 5,000) and (iii) the committee for related parties transactions.

	Compensation from subsidiaries or controlled companies											
	Total			18,500	10,000					28,500		
Tomaso Tommasi di Vignano	Consigliere	01/01/2015 - 31/12/2015	Approval of financial statements 2015			Bonus and other incentives	Participation in dividends					
	Compensation in the company preparing the financial statements			15,000 (emoluments) 3,500 (coins)	10,000 ⁴					28,500		
	Compensation from subsidiaries or controlled companies											
	Total			18,500	10,000					28,500		
Collegio Sindacale												
Eleonora Briolini	Chairman of the Board of Statutory Auditors	01/01/2015 - 31/12/2015	Approval of financial statements 2015			Bonus and other incentives	Participation in dividends					
	Compensation in the company preparing the financial statements			35,000						35,000		
	Compensation from subsidiaries or controlled companies											
	Total			35,000						35,000		

⁴ The independent Director Mr. Tommasi di Vignano is member of (i) the Control and Risk Committee (for the participation in which he receives an annual total compensation of Euro 5,000), (ii) the Remuneration Committee (for the participation in which he receives an annual total compensation of Euro 5,000) and (iii) the committee for related parties transactions.

Luca Gaiani	Effective statutory auditor	01/01/2015 - 31/12/2015	Approval of financial statements 2015			Bonus and other incentives	Participation in dividends					
	Compensation in the company preparing the financial statements			25,000						25,000		
	Compensation from subsidiaries or controlled companies			30,000						30,000		
	Total			55,000						55,000		
Marina Torelli	Effective statutory auditor	01/01/2015 - 31/12/2015	Approval of financial statements 2015			Bonus and other incentives	Participation in dividends					
	Compensation in the company preparing the financial statements			25,000						25,000		
	Compensation from subsidiaries or controlled companies			35,000						35,000		
	Total			60,000						60,000		

Table 3B (Form 7-bis): Cash-based incentive schemes for members of the Board of Directors⁵

Chief Executive Officer, Mr Stefano Landi

A	B	(1)	(2)			(3)			(4)
Full name	Office held	Programme	Bonus for the year			Bonus for previous years			Other bonuses
			(A)	(B)	(C)	(A)	(B)	(C)	
			Payable/paid	Deferred	Deferral period	No longer payable	Payable/paid	Deferred and unpaid	
(I) Compensation from the company preparing the financial statements		Programme A (under the resolution of 14 March 2015)	0						
		Programme B (under the resolution of 13 March 2014)					0		
		Programme C (under the resolution of 14 March 2013)					0		
		Programme D (under the resolution of 15 March 2012)					0		
		Programme E (under the resolution of 15 March 2011)					0		
(II) Compensation from subsidiaries and associates									

⁵ The following tables regard all cash-based incentive programmes, both short- and medium-to-long-term, and the figures are in Euros.

(III) Total		0				0	
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Managing Director, Mr Claudio Carnevale

A	B	(1)	(2)			(3)			(4)
Full name	Office held	Programme	Bonus for the year			Bonus for previous years			Other bonuses
			(A)	(B)	(C)	(A)	(B)	(C)	
Claudio Carnevale	Director		Payable/paid	Deferred	Deferral period	No longer payable	Payable/paid	Still deferred	
(I) Compensation from the company preparing the financial statements	Programme A (under the resolution of 14 March 2015)	0							
	Programme B (under the resolution of 13 March 2014)					0			
	Programme C (under the resolution of 14 March 2013)						0		
	Programme D (under the resolution of 15 March 2012)						0		
	Programme E (under the resolution of 15 March 2011)						0		
(II) Compensation from subsidiaries and associates									
(III) Total			0				0		

Table 1 (Form 7-ter): Shares owned by members of the Board of Directors and the Board of Statutory Auditors

FULL NAME	OFFICE HELD	COMPANY IN WHICH SHARES ARE HELD	NUMBER OF SHARES AT END OF PREVIOUS FINANCIAL PERIOD	NUMBER OF SHARES PURCHASED	NUMBER OF SHARES SOLD	NUMBER OF SHARES OWNED AT END OF FINANCIAL PERIOD
Claudio Carnevale	Managing Director	Landi Renzo S.p.A.	2,050			2,050