



REMUNERATION REPORT 2018

Drawn up according to schedule no. 7-bis, pursuant to art. 123-ter of the Consolidated Finance Act, approved on 29 April 2019 by the Board of Directors, with the assistance of the Appointments and Remuneration Committee.

Servizi Italia S.p.a.
Registered Office Via S. Pietro, 59/b - 43019 Castellina di Soragna (PR)
Fully paid-up share capital Euro 31,809,451.00
Tax ID Code and Parma Register of Companies No. 08531760158

Table of Contents

Glossary	3
Introduction.....	4
SECTION I - REMUNERATION POLICY 2019.....	5
Executive summary - Remuneration Policy 2019	5
1.1 Process for defining and approving the Remuneration Policy	6
1.2 Responsibilities, composition and functioning of the Appointments and Remuneration Committee.....	8
2. Guiding principles and aims of the Remuneration Policy	10
2.1 Description of the Remuneration Policy	11
3. Balancing of elements of the <i>management</i> remuneration package	17
4. Criteria for variable remuneration	18
5. Indemnities in the event of resignation, dismissal or termination of employment	22
6. Non-competition agreements	24
7. Changes in remuneration policy compared to the previous financial year	24
8. Other Information	24
9. Proposed resolution	25
SECTION II	26

Glossary

Shareholders' Meeting	The shareholders' meeting of Servizi Italia S.p.A.
Code of Conduct	The Code of Conduct for listed companies approved in July 2018 by the Corporate Governance Committee.
Board, Board of Directors or BoD	Servizi Italia S.p.A. Board of Directors
Board of Statutory Auditors	The board of statutory auditors of Servizi Italia S.p.A.
Committee or Appointments and Remuneration Committee	The Appointments and Remuneration Committee of Servizi Italia S.p.A.
Fixed Monetary Component	- Gross Annual Remuneration (G.A.R.) to which the Beneficiary is entitled; - Annual Gross Remuneration/Fee for the Chief Executive Officer as resolved by the Board of Directors of Servizi Italia S.p.A. to which the beneficiary is entitled.
Executives with strategic responsibilities	Executives identified by the Board of Directors as having the power or responsibility to plan, manage and control the Company's activities.
Executives	The set of: Chief Executive Officer and/or Executives with Strategic Responsibilities and/or Senior Managers.
Servizi Italia Group or Group	All the companies included in the consolidation area of Servizi Italia S.p.A.
Management	The set of: Executives and Middle Managers.
Eligibility Matrix	Plan containing the names, belonging to the organisation of Servizi Italia, of potential candidates for the office of director of the Company to whom any powers of attorney may be entrusted.
Middle Managers	Middle managers and first line managers of departments who have the managerial levers to influence the factors determining the creation of value for the Group and who make a greater contribution to the achievement of the objectives of the industrial plan in the time horizon considered.
ABS Plan or Annual Bonus System Plan	The annual monetary incentive plan governed by the Regulations and related documents.
LTI-Cash plan	The Long Term Incentive Cash Plan for the financial years 2018 - 2019 - 2020.
RPT Regulation	The Regulation for Transactions with Related Parties approved by the Board of Directors on 24 November 2010 and subsequently amended, in its current version approved on 14 November 2018.
Total Remuneration or Gross Target Remuneration	Indicates the sum of: Fixed Monetary Component + Short-term variable annual monetary component that the beneficiary could receive if the target objectives were achieved (ABS Plan) + the annualisation of the medium/long-term variable monetary component (LTI CashPlan) that the beneficiary could receive if the medium/long-term target objectives were achieved.
Servizi Italia or Company	Servizi Italia S.p.A.
Senior Managers	Other senior managers, of first organisational level, meeting specific requirements, defined as "Senior" according to the position held within the organisational structure, autonomy and decision-making power in making choices in the Company.
Succession Tables	Plan containing: a) potential successors to Directors with strategic responsibility, Senior Managers and Middle Managers, special roles and key roles; and b) individual development plans (skills development, performance management system, retention policy). The Human Resources Director is the guarantor of sensitive information concerning the subjects identified as potential successors, which in any case remain confidential both inside and outside the Company, in order to protect the company's balance, unfair competition and all stakeholders. The succession table is updated every three years.

Introduction

This remuneration report (the "**Report**") has been prepared in accordance with the provisions of Article 123-*ter* of Legislative Decree no. 58/1998 as subsequently amended (the "**Consolidated Finance Act**"), Article 84-*quater* and Annex 3A, Schedule 7-*bis* of CONSOB Regulation no. 11971/1999, as subsequently amended (the "**Issuers' Regulations**"). In compliance with the regulations and in line with the values of transparency and responsibility which have always been pursued by Servizi Italia Group, the Company intends to guarantee appropriate information on the strategies and processes adopted for the definition and implementation of the Remuneration Policy.

The Report was prepared by the Human Resources Director of Servizi Italia S.p.A., and - after examination by the Appointments and Remuneration Committee - was approved by the Board of Directors at its meeting on 29 April 2019. The Report consists of two sections:

- Section I, which describes the remuneration policy for members of the board of directors and executives with strategic responsibilities for the financial year 2019 (the "**Policy**" or the "**Remuneration Policy**"), as well as the procedures used for its adoption and implementation;
- Section II, which provides an appropriate representation of each of the items that make up the remuneration, highlighting their consistency with the remuneration policy of the Company with reference to the financial year 2018, as well as describing the remuneration paid in the financial year 2018 to members of the administrative and control bodies and to executives with strategic responsibilities.

Pursuant to art. 123-*ter*, paragraph 6, of the Consolidated Finance Act, the Shareholders' Meeting will be called upon to resolve, in favour or against, on the first section of the Report envisaged by art. 123-*ter*, paragraph 3, of the Consolidated Finance Act; this resolution will not be binding.

It should be noted that the submission to a consultative vote by the Shareholders' Meeting of Section I of this document and its consistent application by the administrative body are grounds for exclusion from the application of the Regulation for Transactions with Related Parties adopted by the Company, pursuant to Article 7 thereof and in compliance with the provisions of Article 13 of the Regulation adopted by CONSOB in Resolution no. 17221/10.

SECTION I - REMUNERATION POLICY 2019

Executive summary - Remuneration Policy 2019

Remuneration Element	Objectives	Implementing terms	Amounts/Values%
Fixed Monetary Component (G.A.R.)	Rewards skills, role contribution and performance continuity	Annual remuneration level defined on the basis of the positioning resulting from the comparison with the reference market	CEO¹ and DSR²: In order to ensure the competitiveness of the remuneration package, Servizi Italia can appoint specialised consultancy firms to carry out periodical comparative analyses of the remuneration positions
Short-term variable monetary component (ABS Plan)	Promotes the achievement of annual business objectives	CEO and DSR: Objectives: <ul style="list-style-type: none"> Group EBITDA % level (weight 30%) Individual objectives (weight 70%) Access gate: 90% of target level Performance measurement: performance objectives are measured at the end of the period covered by the ABS Plan. Disbursement: within the first half of the financial year following that to which the ABS Plan refers, following the approval by the Board of Directors of the consolidated financial statements to which the ABS Plan refers Claw-back clause	CEO: <ul style="list-style-type: none"> Monetary Bonus: 23% of Total Remuneration DSR: <ul style="list-style-type: none"> Monetary Bonus: % of Fixed Monetary Component. Depending on the Beneficiary's category, the incentive curve ranges from 2% (minimum level) to 27% (maximum level).
Medium/long-term variable monetary component (LTI Cash plan)	Promotes alignment to the interests of shareholders and the sustainability of medium-long term value creation.	CEO and DSR: Long Term Incentive Vesting period: three years. Access gate: 80% of target level Objectives: <ul style="list-style-type: none"> Group Consolidated Net Profit Non-negative Performance of Total Shareholder Return (TSR) Multiplier / Demultiplier: The TSR target acts as a multiplier/demultiplier of the Monetary Bonus achieved and has a value of + 5% or - 5%. Performance measurement: performance objectives are measured at cumulative level at the end of the three-year reference period. Disbursement: within the first half of 2021, following the approval by the Board of Directors of the 2020 consolidated financial statements Claw-back clause	CEO: <ul style="list-style-type: none"> Monetary Bonus: 23% of Total Remuneration DSR: <ul style="list-style-type: none"> Monetary Bonus: % of Fixed Monetary Component. Depending on the Beneficiary's category, the incentive curve ranges from 20% (minimum level) to 60% (maximum level).
Benefits	Integration of remuneration packages and alignment with market standards	Defined in continuity with the Policy of previous years and in compliance with the provisions of collective bargaining and national legislation	In addition to the mandatory benefits: <ul style="list-style-type: none"> Flexible Benefit Plan Supplementary Health Care Company Car

¹ CEO: Chief Executive Officer

² DSR: Executives with strategic responsibilities

1.1 Process for defining and approving the Remuneration Policy

The Remuneration Policy, understood as the set of principles and instruments aiming to define the compensation packages for Directors and Executives with Strategic Responsibilities, involves the bodies indicated below.

1) Shareholders' Meeting

With regard to remuneration, the Shareholders' Meeting:

- pursuant to articles 2364, paragraph 1, no. 3, and 2389, paragraph 3, of the Italian Civil Code and 17.10 of the Articles of Association, determines the remuneration of the Board of Directors as a whole, with the exception of Directors holding special offices;
- pursuant to article 2364, paragraph 1, no. 3 of the Italian Civil Code, determines the annual remuneration due to the Statutory Auditors for the entire period of their office;
- expresses a non-binding vote on the first section I of the Remuneration Report pursuant to Article 123-*ter*, paragraph 6, of the Consolidated Finance Act;
- resolves on any remuneration plans based on shares or other financial instruments intended for Directors, employees and collaborators, including Executives with strategic responsibilities, pursuant to Article 114-*bis* of the Consolidated Finance Act.

2) Board of Directors

As regards remuneration, the Board:

- sets up an internal Appointments and Remuneration Committee, of which at least one member must have adequate knowledge and experience in financial matters or remuneration policies, to be assessed by the Board at the time of appointment;
- resolves on the allocation of the remuneration determined by the Shareholders' Meeting for the Board of Directors and determines the remuneration of the Directors holding special offices (including the members of the Committees established within the Board and of the Vice-Chairmen), on the proposal of the Appointments and Remuneration Committee, subject to the opinion of the Board of Statutory Auditors, pursuant to art. 2389, paragraph 3 of the Italian Civil Code, art. 17.11 of the Articles of Association and in compliance with the principles established by the regulations in force on a case-by-case basis;
- defines, examines and approves, at the proposal of the Appointments and Remuneration Committee, the remuneration policy for Directors and Executives with strategic responsibilities, in compliance with the regulations applicable on a case-by-case basis;

- with the support of the Appointments and Remuneration Committee, approves the Remuneration Report pursuant to art. 123-ter of the Consolidated Finance Act and art. 84-quater of the Issuers' Regulations, drawn up by the Human Resources Director, and submits Section I to the Shareholders' Meeting.
- prepares any remuneration plans based on shares or other financial instruments for Directors, employees and collaborators, including executives with strategic responsibilities, submits them to the Shareholders' Meeting for approval pursuant to art. 114-bis of the Consolidated Finance Act and oversees their implementation.

3) Appointments and Remuneration Committee

In compliance with application criteria 6.C.5 of the Code of Conduct, to which the Company adheres and conforms, concerning remuneration the Appointments and Remuneration Committee:

- periodically assesses the adequacy, overall consistency and concrete application of the remuneration policy for Directors and Executives with strategic responsibilities, in this regard using the information provided by the CEO and Human Resources Director; making proposals to the Board of Directors on this matter;
- submits proposals or expresses opinions to the Board of Directors on the remuneration of executive Directors and other Directors holding special offices, as well as on the setting of performance objectives related to the variable component of such remuneration; monitors the application of the decisions adopted by the Board itself, verifying, in particular, the actual achievement of the performance objectives;
- examines in advance the annual Report on Remuneration to be made available to the public with a view to the annual general meeting for the approval of the financial statements;
- within the scope of its responsibilities, it drafts, submits to the Board of Directors and monitors the application of incentive systems for the management (including any remuneration plans based on financial instruments), understood as instruments aiming to attract and motivate resources of an adequate level and experience, developing a sense of belonging and ensuring a constant orientation towards the creation of value over time;
- it may also provide support to the CEO and Director of Human Resources with regard to the enhancement of managerial resources, recruitment of talented resources and the promotion of initiatives with universities in this field;
- evaluates the criteria adopted for the remuneration of Executives with strategic responsibilities and supervises their application on the basis of the information provided by the CEO and Human Resources Director.

4) Board of Statutory Auditors

With regard to remuneration, the Board of Statutory Auditors, in accordance with the provisions of Article 2389, paragraph 3 of the Italian Civil Code and Article 17.11 of the Articles of Association, expresses its opinion on the proposals for the remuneration of executive Directors, and more generally, of Directors holding special offices within the framework of the overall determination made by the Shareholders' Meeting, verifying the consistency of such proposals with the Remuneration Policy.

5) Chief Executive Officer

With regard to remuneration, the Chief Executive Officer is:

- responsible for the correct implementation of the Remuneration Policy;
- responsible for identifying participants in the ABS and LTI Cash Plans.

6) Human Resources Director

With regard to remuneration, the Human Resources Director is jointly responsible for the correct implementation of the remuneration policy.

1.2 Responsibilities, composition and functioning of the Appointments and Remuneration Committee

Responsibilities

Servizi Italia has set up an Appointments and Remuneration Committee, endowed with corporate governance tools in line with market practice, the provisions of the Consolidated Finance Act and the Code of Conduct.

In addition to what stated in paragraph 1.1, the Appointments and Remuneration Committee has the following consultative and proposal-making functions vis-à-vis the Board of Directors:

- to formulate opinions to the Board of Directors on the size and composition of the Board, and express recommendations on the professional figures whose presence on the Board is deemed appropriate;
- to make recommendations in this regard:
 - a) the maximum number of charges as director or auditor in other companies listed on regulated markets (including foreign markets), in financial, banking, insurance or large companies that may be deemed compatible with the effective performance of the office of Director of the Company;
 - b) to the Board of Directors' assessments of any problematic cases in which the Shareholders' Meeting has authorised, in a general and preventive manner, of exceptions to the non-competition clause provided for by Article 2390 of the Italian Civil Code;

- to propose to the Board of Directors candidates for the office of Director in cases of co-optation, where it is necessary to replace independent Directors;
- to support the Board with a specific investigation into the preparation of any succession plans.

Composition

On 20 April 2018, the Board of Directors identified three independent and non-executive Directors as members of the Committee: Chiara Mio (Chairman of the Committee), Romina Guglielmetti and Paola Schwizer. At the time of appointment, the Board deemed its knowledge and experience in accounting and financial matters, and/or in the field of remuneration policies of the members of the Committee to be adequate.

The new Committee replaced the one appointed by the Board of Directors on 22 April 2015, which expired on the Shareholders' Meeting of 20 April 2018 with the approval of the financial statements as at 31/12/2017, composed of three independent and non-executive Directors: Paola Galbiati (Chairman of the Committee), Romina Guglielmetti and Paola Schwizer.

Functioning

None of the Directors attends meetings of the Committee at which proposals are made regarding their own remuneration and/or conditions, as provided for by the Committee regulations. The Company's Human Resources Director participates in the works of the Committee. The Chairman of the Board of Statutory Auditors or another Statutory Auditor designated by the Chairman may also attend the meetings of the Committee. In any case, the Statutory Auditors may also participate if issues are discussed in relation to which the Board of Directors resolves with the mandatory opinion of the Board of Statutory Auditors. The Committee may invite non-members, including other members of the Board or the structure, to its meetings with reference to individual items on the agenda. In order to carry out the tasks assigned to it, the Committee may use the support of both internal employees and external professionals. Where the Committee uses the services of a consultant, in order to obtain information on market practices with regard to remuneration policies, it shall first check that the consultant is not in a situation that would compromise his or her independence of judgement.

The members of the Committee have access to the information and corporate functions necessary for the performance of their duties, with the assistance of the Director of Human Resources.

For information on the main activities carried out by the Committee in 2018, the number of meetings of the Committee and their duration, refer to the Report on Corporate Governance and Ownership Structure for the financial year 2018.

2. Guiding principles and aims of the Remuneration Policy

The Company generally defines and applies a Remuneration Policy aimed at attracting, motivating and retaining resources possessing the professional qualities required to profitably pursue the objectives of the Group and the business.

The main objectives of the Policy are:

- to involve and encourage Directors and the management, whose activities are considered of fundamental importance for the achievement of the Group's objectives, and align their interests to the pursuit of the priority objective of creating medium-long term value for Shareholders;
- to certify the Company's willingness to share the increase in value with the Group's highest professional figures;
- to foster the loyalty of the Group's key resources, encouraging them to stay within the Group;
- to support the implementation of the three-year business plan approved by the Board of Directors;
- to motivate remunerative growth according to comparative market parameters (basket of companies comparable to Servizi Italia S.p.A. by sector and size used as a market benchmark);
- to structure a remuneration system consisting of a Fixed Monetary Component and an additional variable monetary component correlated to the achievement of specific short and medium-long term strategic objectives.

The definition of the Policy is the result of a clear and transparent process, in which the Human Resources Director, the Appointments and Remuneration Committee and the Board of Directors play a central role.

As explained, the Policy defines the principles and guidelines that the Board of Directors and the Chief Executive Officer must follow when defining the remuneration of:

- members of the Board of Directors and, in particular, of the Directors holding special offices;
- Executives with strategic responsibilities;
- Senior Managers, Middle Managers, special and key figures.

At the proposal of the Appointments and Remuneration Committee, the Board of Directors adopts the criteria for the implementation of the Policy.

Any deviations from the application criteria of the Policy for determining the remuneration of Directors holding special offices and Executives with strategic responsibilities shall be examined in advance by the Appointments and Remuneration Committee and approved by the Board of Directors. The remuneration of Senior Managers and Middle Managers, i.e. special and key figures, is approved by the CEO, in agreement with the Human Resources Director.

The Human Resources Director shall report, at least once a year, on compliance with the Policy and the related application criteria to the Appointments and Remuneration Committee.

2.1 Description of the Remuneration Policy

The Board of Directors may propose to the Shareholders' Meeting the adoption of incentive mechanisms through the allocation of financial instruments or options on financial instruments. The relevant legislation will apply to these mechanisms. At the date of this Report, the Company has no financial instrument incentive plans in place.

The Appointments and Remuneration Committee and the Board of Directors, where required with the assistance of independent firms specialising in executive compensation, analyse the positioning, composition and, more generally, the competitiveness of the remuneration of Directors holding special offices, Executives with strategic responsibilities and senior managers, on the basis of methodological approaches that make it possible to assess the complexity of the roles from an organisational point of view, the specific delegated powers, as well as the impact on the final business results of the individual.

The Board of Directors

The Board of Directors, appointed by the Shareholders' Meeting on 22 April 2015 and holding office until the Shareholders' Meeting to approve the financial statements for the year ended 31 December 2017 on 20 April 2018, consisted of 11 directors, three of whom met the independence requirements.

The Shareholders' Meeting held on 20 April 2018 confirmed the number of members of the Board of Directors as eleven, appointing the Board of Directors for the three-year period 2018-2020, i.e. until approval of the Financial Statements as at 31 December 2020.

The Directors appointed by the Shareholders' Meeting of 20 April 2018 are indicated in the following table:

Name	Position	List (M/m)
Roberto Olivi	Chairman	M
Enea Righi	Deputy Chairman and CEO	M
Ilaria Eugeniani	Director	M
Michele Magagna	Director	M
Antonio Paglialonga	Director	M
Lino Zanichelli	Director	M
Umberto Zuliani	Director	M
Antonio Aristide Mastrangelo	Director (a)	m
Paola Schwizer	Director (a) (b)(c)	M
Romina Guglielmetti	Director (a) (b)	M
Chiara Mio	Director (a) (b)	M

(a) Non-executive Director who meets the requirements of independence pursuant to the Consolidated Finance Act and the Corporate Governance Code.

(b) Member of the Control and Risk Committee and of the Appointments and Remuneration Committee.

(c) Lead Independent Director

For the duration of their term of office, the members of the Board of Directors, pursuant to art. 17.10 of the Articles of Association, are entitled to a remuneration determined by the Shareholders' Meeting in overall terms at the time of their appointment, pursuant to art. 2389, para. III, of the Italian Civil Code. The expiring Board of Directors usually refrains from formulating specific proposals in this regard and invites the Shareholders' Meeting that has on its agenda the appointment of the Board of Directors to resolve on the matter, on the basis of the proposals that may be made by the Shareholders in the context of the lists presented and/or during the Shareholders' Meeting.

As regards the Executive directors or Directors holding special offices, this compensation may also consist of a fixed part and a variable part, the latter commensurate with the achievement of certain objectives.

The Shareholders' Meeting held on 20 April 2018 resolved to grant the Board of Directors, in overall terms for each year of office (2018-2019-2020), a gross annual emolument of a maximum of Euro 1,315 thousand, comprising a fixed annual part of Euro 915 thousand and a maximum annual variable part of Euro 400 thousand, the latter to be paid to the CEO Enea Righi and measured upon achievement of certain objectives set out in the Annual ABS Plan and the LTI Cash Plan, also resolving on an indemnity for termination of office as CEO.

The remuneration of Directors holding special offices is established by the Board of Directors, at the proposal of the Appointments and Remuneration Committee and after hearing the opinion of the Board of Statutory Auditors, within the framework of the overall determination made by the Shareholders' Meeting pursuant to Article 17.10 of the Articles of Association.

This remuneration, formulated in overall terms, was distributed by the Board of Directors on 20 April 2018 among the Directors, Directors holding special offices and the members of the Committees provided for by the Corporate Governance Code, subject to the favourable opinion of the Board of Statutory Auditors and the Appointments and Remuneration Committee, in accordance with the provisions of the Italian Civil Code and the current Articles of Association. The distribution criterion adopted is as follows:

1. a fixed annual basic component which is the same for all members of the Board of Directors;
2. a fixed annual component for Directors holding special offices (e.g. Chairman, Deputy Chairman, Chief Executive Officer, Executive in charge of preparing the company's financial reports, Chairman of the Committee, Lead Independent Director, members of the Board Committees);
3. a maximum fixed variable component, for the Chief Executive Officer, linked to the objectives defined in the ABS Plan and LTI Cash Plan.

The remuneration commences from the date on which the office is conferred, i.e. 20 April 2018, and is paid *on a pro-rata basis* until the date on which the office terminates.

It should be noted that, compared to the previous mandate of the Board of Directors, both the fixed annual basic component which is the same for all members of the Board of Directors, as well as the fixed annual component recognized to the members of the Board committees have been increased each of euro 5,000.

With reference to the variable components assigned, contractual agreements are envisaged for which the Company may request their return, in whole or in part, where their assignment was made on the basis of data that later proved to be manifestly incorrect (so-called *claw-back* clause).

In compliance with principle 6 P.5 of the Code of Conduct, the Company, upon termination of office and/or the termination of the relationship with an executive Director (or possibly general director), shall, following the internal processes that lead to the allocation or recognition of indemnities and/or other benefits, disclose detailed information on the matter, through a press release issued to the market.

The remuneration of non-executive Directors is commensurate with the commitment required of each of them, taking into account their possible participation in the Committees, and is not linked to the economic results achieved by Servizi Italia S.p.A. (they do not participate in the ABS Plan or the LTI *Cash* Plan). This provision does not apply in the case of non-executive Directors who are also Executives of the Company who could be identified as participants in the ABS Plan and/or LTI Cash Plan.

It should also be noted that, for non-executive Directors belonging to the list of majority shareholders (Coopservice Soc.coop.p.A.) who are also employees of the same, there is an obligation to transfer all or part of the remuneration received to Coopservice Soc.coop.p.A. for the entire duration of the mandate.

As a general rule, the Board of Statutory Auditors will be involved whenever there are cases concerning events that have an impact on the remuneration of the Directors and on the termination of their office, in order to supervise the procedures for the concrete implementation of the rules of corporate governance provided for in Article 149, paragraph 1, letter *c-bis* of the Consolidated Finance Act.

In line with best practices, a D&O (Directors & Officers) insurance policy is envisaged to cover management's third-party liability, including members of corporate bodies and Executives with strategic responsibilities, in the exercise of their functions.

It should be noted that, for financial year 2018, with regard to the Directors:

- there are no agreements that attribute or allow the maintenance of non-monetary benefits in favour of the persons who have ceased to hold office;
- there are agreements that provide for compensation as an indemnity for the termination of office of the Chief Executive Officer Enea Righi, as illustrated in chapter 5 of this Report;
- there are agreements providing for compensation for non-competition undertakings, as described in section 6 of this Report;

- the Shareholders' Meeting did not approve share-based incentive plans (stock options) for Directors;
- there are no agreements in place between the members of the Board of Directors and/or the members of the Board of Statutory Auditors and the Company or its subsidiaries that provide for indemnities in the event of resignation or dismissal without just cause (with the exception of what mentioned above), or if their relationship should cease following a takeover bid.

Remuneration of Directors holding special offices

At the time of appointment, or at the first subsequent meeting, the Appointments and Remuneration Committee shall propose to the Board of Directors the remuneration payable to Directors holding special offices.

The remuneration of Executive directors and Directors holding special offices generally consists of the following elements:

1. fixed annual components, as member of the Board of Directors;
2. Fixed Monetary component, if the director is also an employee of the Company;
3. short-term variable component, which can be achieved on the basis of the achievement of pre-established company objectives (ABS plan);
4. medium/long-term variable component (LTI), provided for in the LTI Cash Plan;
5. any benefits recognised by company practices and identified in a specific regulation approved by the Board of Directors, in accordance with the principles of sobriety, cost containment and proportionality in relation to the objectives pursued.

With reference to the variable components of the remuneration of Executive directors holding special offices, it should be noted that, on an annual basis, the Appointments and Remuneration Committee submits proposals or expresses opinions to the Board of Directors on:

- the objectives of the ABS Plan to proceed, in the following financial year, with an audit of the Director's performance in order to verify the achievement of the objectives of the ABS Plan of the previous financial year;
- the progress of the Director's performance with regard to the LTI Cash Plan.

The remuneration of non-executive Directors holding special offices, including independent Directors, is fixed and commensurate with the commitment actually required, also taking into account their participation in one or more Committees.

General Director and Executives with Strategic Responsibilities

In Servizi Italia S.p.A., the Board of Directors has not appointed a General Director. The figure of the CEO coincides with the Chief Executive Officer. Executives with strategic responsibilities are directors identified by the Board of Directors as having the power or responsibility for planning, managing and controlling the Group's activities.

As at 31 December 2018 and as at the date of approval of this Report, the Board of Directors has identified Executives with strategic responsibilities: Ilaria Eugeni (Administrative, Finance and Control Director), Giovanni Manti (Organisation and Systems Director), Simona Campanini (Human Resources Director) and Danilo Canovi (Purchasing Director).

The remuneration of Executives with strategic responsibilities, with the exception of the so-called "non-monetary benefits", is generally composed of the following elements:

1. a fixed monetary component;
2. an annual variable monetary component, which can be obtained on the basis of the achievement of pre-established corporate and individual objectives provided for in the short-term incentive scheme (ABS plan for the year in question);
3. a medium/long-term variable monetary component (LTI Cash Plan);
4. benefits (non-monetary benefits) recognised by company practices and identified in a specific regulation approved by the Board of Directors, in accordance with the principles of sobriety, cost containment and proportionality in relation to the objectives pursued.

It should be noted that, on 31 January 2018, as part of a project to reorganise the Company, and due to personal reasons, the employment relationship with Maurizio Casol, previously identified as Executive with strategic responsibilities, was terminated by joint agreement. The remuneration of the executive, upon termination of the employment relationship, was defined in accordance with the company rules and practices on the subject, as well as the indications contained in the remuneration policy adopted by the Company, and represented, pursuant to the Regulation approved by CONSOB resolution no. 17221/2010 and the RPT Regulation adopted by Servizi Italia, a transaction with a related party (as an Executive with strategic responsibility) of a minor amount. In any case, the transaction was examined by the Appointments and Remuneration Committee and the RPT Committee to the extent of its competence. At the date of termination of employment, Mr Casol did not hold shares in Servizi Italia S.p.A.

Senior Managers, Middle Managers and special/key figures

The remuneration of Senior Managers, Middle Managers and special/key figures within the organisation generally, is composed of the following elements:

1. a fixed monetary component;

2. any annual variable component that can be obtained on the basis of the achievement of pre-established corporate objectives envisaged in the short-term incentive scheme (ABS plan for the year in question), if the resource is identified as the beneficiary of the plan;
3. a possible medium/long-term variable component (LTI Cash Plan), if the resource is identified as a beneficiary of the plan;
4. benefits recognised by company practices and identified in a specific regulation approved by the Board of Directors, in accordance with the principles of sobriety, cost containment and proportionality in relation to the objectives pursued.

Remuneration of the Board of Auditors

Pursuant to Article 2402 of the Italian Civil Code, when appointing the Board of Statutory Auditors of Servizi Italia S.p.A., the Shareholders' Meeting shall determine the annual remuneration due to the Statutory Auditors for the entire duration of their office.

With regard to the practice of determining the remuneration of the Board of Statutory Auditors, the Board of Directors refrains from formulating specific proposals in this regard and invites the Shareholders' Meeting in which the appointment of the Board of Statutory Auditors is on the agenda, to resolve on the basis of the proposals be made by the shareholders themselves in the context of the lists presented or during the above-mentioned Shareholders' Meeting.

In particular, in the Shareholders' Meeting of 20 April 2017, on renewal of the Board of Statutory Auditors for the three-year period 2017-2018-2019, the fixed annual gross remuneration of its Chairman was set at Euro 25 thousand per year and that of the members at Euro 20 thousand per year.

The remuneration commences from the date of conferral of office and is paid *pro rata* the date on which the office terminates.

As explained, in line with the best practices, a D&O (Directors & Officers) insurance policy is envisaged to cover management's third-party liability, including members of corporate bodies and Executives with strategic responsibilities, for the exercise of their functions.

Collaboration contracts and/or Directorship contracts

In order to provide for the correct organisational development of its functions, the Company may conclude collaboration or directorship contracts, governed by the rules of self-employment provided for by current legislation.

It is company practice, in the event that, due to the particular nature of the collaboration contract, it is not possible in any way to recognise a subordinate employment relationship between the Company and the collaborator (not subjecting the collaborator to the organisational, hierarchical and disciplinary power of the employer), not to recognise any further accessory benefits in both economic and social security or welfare

terms, in addition to the remuneration defined for the service. For the services required and for the proper performance of the function, the employee may be assigned benefits (e.g. car, telephone, computer) recognised by company practices and identified in a special regulation approved by the Board of Directors, the operating costs of which will be borne by the company.

As of the date of this Report, the Company has a directorship contract with Enea Righi (Deputy Chairman and CEO in office until approval of the financial statements as at 31 December 2020), approved on 20 April 2018 by the Board of Directors, with the favourable opinion of the Appointments and Remuneration Committee and the Board of Statutory Auditors.

3. Balancing of elements of the management remuneration package

In determining the remuneration and its individual components, the Board of Directors, the Chief Executive Officer and the Human Resources Director shall take into account a balance of the Total Remuneration consisting of a fixed monetary component and both short and medium/long-term variable monetary components, whose weight shall take into account the specific content of the powers delegated to individual beneficiaries and/or the functions and role they actually perform within the company.

In particular, with regard to executive Directors holding special offices, the Board of Directors - with the support of the Appointments and Remuneration Committee - evaluates the specific office assigned and any specific powers delegated. In particular, the remuneration shall be determined on the basis of the following indicative criteria:

- the fixed monetary component tends to have an average weight of about 75% of the Total Remuneration; for the CEO, in accordance with the resolution passed by the Shareholders' Meeting of 20 April 2018, the fixed monetary component has a weight of about 54% of the Total Remuneration;
- the target monetary bonus of the ABS Plan is equal to a pre-established percentage of the fixed remuneration for the office of executive director holding special offices in the Company (therefore excluding remuneration received for other offices in various Group companies) with an average weight of approximately 10% of the said remuneration; for the CEO, in accordance with the resolution passed by the Shareholders' Meeting of 20 April 2018, the short-term variable monetary component (MBO) has a weight of approximately 23% of the target total remuneration;
- the monetary bonus of the (annualised) LTI Cash Plan is equal to a pre-established percentage of the fixed remuneration for the office of executive director holding special offices in the Company (excluding, in any case, remuneration received for other offices in various Group companies for which there may be an obligation to pay out) and tends to have an average weight of approximately 15% of the said remuneration; for the CEO, in accordance with the resolution

passed by the Shareholders' Meeting of 20 April 2018, the medium/long-term variable monetary component (LTI) has a weight of approximately 23% of the Total Remuneration.

For Executives with strategic responsibilities, *Senior Managers* and special/key figures, remuneration is determined on the basis of the following indicative criteria:

- the fixed monetary component tends to have an average weight of 75% of the Total Remuneration;
- the target monetary bonus of the ABS Plan is equal to a pre-established percentage of the Fixed Monetary Component and tends to have an average weight of approximately 10% of the said remuneration;
- the target monetary bonus of the (annualised) LTI Cash Plan is equal to a pre-established percentage of the Fixed Monetary Component and tends to have an average weight of approximately 15% of the said remuneration;

It should also be noted that with regard to the beneficiaries (executive Directors and/or Executives with strategic responsibilities and special/key figures), the Company, as mentioned above, has promoted the introduction of so-called claw-back clauses, which make it possible to request the return, in whole or in part, of variable components of remuneration paid (or to withhold sums subject to deferment), determined on the basis of data that subsequently proved to be manifestly incorrect).

4. Criteria for variable remuneration

ABS Plan

The Company adopts as a practice an ABS Plan described in the criteria, terms and conditions in a specific regulation examined in advance by the Appointments and Remuneration Committee and approved by the Board of Directors. The regulations of the current ABS Plan were approved by the Board of Directors on 13 March 2018, with the support of the Appointments and Remuneration Committee. The purpose of the ABS Plan, which has not been substantially modified with respect to the previous one, is always to continue to support the improvement of short-term economic performance, to promote and spread the culture of value creation in all strategic and operational decisions, as well as to encourage the retention of strategic management figures. With regard to financial year 2019, it should be noted that the criteria of the ABS Plan did not change compared to those of the previous financial year.

A summary description of the ABS Plan is provided below.

The beneficiaries of the incentive provided for in the ABS Plan are: the executive Directors holding special offices identified by the Board of Directors, the Executives with strategic responsibilities, the Senior Managers, the Middle Managers and the special/key figures, who, at the sole discretion of the CEO, assisted by the Human Resources Manager, have the management levers necessary to influence the determinants of value creation for the Company, in the annual period considered.

The value of the monetary bonus is annual and is calculated as a percentage of the Monetary Component Fixed in Servizi Italia in force on a specific date (from the basis of calculation are excluded the remuneration for positions in companies belonging to the Group, for which there may be an obligation to pay out). In identifying the beneficiaries, the Chief Executive Officer, with the support of the Human Resources Director, assigns to each of them the bracket and the corresponding monetary bonus a target.

The system provides for an access threshold, below which the entire monetary bonus cannot be received, and an incentive strategy that links the result achieved to the monetary bonus accrued.

The disbursement of the incentive - which takes place at the end of the time horizon considered - is conditional not only on the achievement of performance objectives, but also on the beneficiary's permanence in the company until the end of the vesting period (i.e. the date of Board approval of the consolidated financial statements for the year in question).

Each beneficiary, in relation to the objectives achieved, is paid the monetary bonus according to the following criteria:

- on achievement of the target objective: 1 time the monetary bonus;
- on achievement of the minimum target: the monetary bonus is halved;
- when the maximum target is reached: the monetary bonus increases by half (150%).

The objectives identified by the ABS Plan are:

- an objective, identified by the Board of Directors, of an economic and financial nature (EBITDA planned in the budget) in the financial year of reference, in percentage terms with respect to turnover and compared with that actually achieved. This objective, which is the same for all beneficiaries participating in the Plan, aims to support the growth of the Group and has a weight equal to 30% of the bonus. The objective, as defined above, may be modified by the Board of Directors, subject to the opinion of the Appointments and Remuneration Committee, in the event of significant changes in the macroeconomic and/or business scenario;
- individual objectives assigned with a cascading logic starting from the objectives assigned to management, consistent with those set in the annual budget and, therefore, with the business plan. For each of the beneficiaries, the CEO, in agreement with the line manager of the beneficiary and with the Human Resources Director, identifies, on the basis of economic/management factors or quantitative and qualitative factors, the percentage amount of the bonus payment. The individual objectives may therefore be either quantitative (absolute values, percentages and/or indices) or qualitative (in any case measurable through observable behaviour, for example, the development of turnover on order, the improvement of the order margin/improvement of the average cost of kg produced, the respect of project schedules, the quality of the outputs, the improvement in terms of

environmental impact, in the context of CSR and customer satisfaction projects). These objectives account for 70% of the bonus.

The achievement of individual objectives is assessed by the Board of Directors, following the approval of the consolidated financial statements for the year in question; extraordinary effects, both negative and positive, will be assessed at the final balance at the sole discretion of the Board of Directors.

The disbursement only concerns the beneficiaries who have been present since at least a semester, in force at the time of disbursement and on condition that they have reached the objectives assigned *ad personam*. The disbursement is a one-shot payment, recognised within the first six months of the financial year following that in which the assigned targets were assessed.

If the total performance achieved is, respectively, between the minimum performance and the target performance or between the target performance and the maximum performance, the incentive value will be calculated proportionally.

The total cost of the ABS plan is given by the valorisation of the target cost incentive (including the company's social contributions) for each beneficiary. To this end, the financial statements for the financial year in question will indicate the costs relating to the bonuses actually earned for which provision is made. The cost is therefore deducted from the economic result of the company.

Every year, the company management promotes plenary and individual meetings with the figures identified as beneficiaries, in order to illustrate the incentive system for the year in question and assign the economic and qualitative objectives that the Company sets out to achieve.

The Appointments and Remuneration Committee, on 29 April 2019, provided exhaustive information and support to the Board of Directors, highlighting the achievement of 100% of the performance targets set for the financial year 2018 for the ABS Plan. The Board of Directors, with the favourable opinion of the Board of Statutory Auditors, approved the payment of the variable annual remuneration components accrued to the beneficiaries, in accordance with the terms and conditions established in the regulations. For details of the variable remuneration components of Executive Directors and Executives with strategic responsibilities accrued in 2018, refer to the tables in the second section of this Report.

Medium/long-term incentive system: LTI-Cash Plan

In 2018, the Board of Directors, at the proposal of the Appointments and Remuneration Committee, approved a medium/long-term incentive system linked to the achievement of the objectives contained in the 2018-2019-2020 three-year plan. The regulations of the LTI Cash Plan 2018-2020, approved on 13 March 2018, have not changed substantially with respect to the previous one. The aim of the plan is always to link the remuneration of key company resources to the actual performance of the Company and to create new value for the Servizi Italia Group; to direct key company resources towards strategies for the pursuit of

medium/long-term results; to align the interests of top management with those of shareholders and investors; to introduce retention policies aimed at retaining key company resources and to encourage them to remain in the Company or in the Servizi Italia Group.

The beneficiaries of the incentive provided for in the plan are: executive Directors holding special offices identified by the Board of Directors, Executives with strategic responsibilities, Senior Managers and special/key figures who, at the sole discretion of the Chief Executive Officer, assisted by the Human Resources Director, have the management levers to influence the determinants of the Group's value creation in the 2018-2019-2020 period considered.

The value of the monetary bonus is calculated as a percentage of the fixed monetary component in Servizi Italia S.p.A. in existence at a specific date, therefore excluding remuneration for positions in companies belonging to the Servizi Italia Group. In identifying the beneficiaries, the Chief Executive Officer, with the support of the Human Resources Director, assigns to each of them the bracket and the corresponding target monetary bonus. The economic value of the *target* monetary bonus will be distributed equally over three years.

The system provides for an access threshold, below which the entire monetary bonus cannot be received, and an incentive strategy that links the result achieved to the monetary bonus accrued.

The disbursement of the monetary bonus - which takes place at the end of the time horizon considered - is conditional not only on the achievement of performance objectives, but also on the beneficiary's permanence in the company until the end of the vesting period (i.e. the date of Board approval of the 2020 consolidated financial statements).

Each beneficiary, in relation to the objectives achieved, is paid the value of the monetary bonus according to the following criteria:

- on achievement of the *target* objective: 1 time the monetary bonus;
- on achievement of the minimum target: the monetary bonus is halved;
- when the maximum target is reached: the monetary bonus increases by half (150%).

With regard to the LTI Cash Plan, the objectives identified by the Board of Directors, with the support of the Appointments and Remuneration Committee, are in line with and consistent with the three-year business plan 2018-2019-2020 and are intended to support the growth of the company over the three-year period.

The LTI Cash Plan provides for a single, equal economic and financial objective for all beneficiaries, which is the Group's Net Consolidated Result cumulated over the three-year period, and a target, the Total Shareholder Return (TSR), linked to the value of the Company's shares and dividends distributed, which acts as a multiplier of the monetary bonus accrued (with a value equal to +5% or -5% of the LTI bonus achieved through the Group's consolidated net result objective).

A target value, as well as a minimum and a maximum value, have been defined for this objective. The minimum value of the Group's consolidated net result represents the threshold condition of the LTI Cash Plan. This means that if not achieved, the monetary bonus is zero.

The objectives identified may be modified by the Board, subject to the opinion of the Appointments and Remuneration Committee, in the presence of significant changes in the macroeconomic and/or business scenario.

The achievement of individual objectives is assessed by the Board of Directors at the end of the three-year period 2018-2019-2020; extraordinary effects, both negative and positive, will be assessed at the final balance at the sole discretion of the Board.

If the total performance achieved is, respectively, between the minimum performance and the target performance or between the target performance and the maximum performance, the incentive value will be calculated proportionally.

The LTI incentive will be paid at the end of the vesting period, after the approval of the consolidated financial statements for the year 2020 and, in any case, no later than the first half of 2021.

The total cost of the LTI Cash Plan is given by the valorisation of the target cost incentive (including the company's social contributions) for each beneficiary. To this end, the above costs will be indicated in the financial statements in accordance with IAS guidelines, thus spreading the portion in the vesting period 2018-2019-2020 and providing for the relevant provisions. The cost thus calculated will be self-financed in the economic result of the company.

5. Indemnities in the event of resignation, dismissal or termination of employment

In Servizi Italia, it is common practice not to enter into agreements with Directors, Executives with strategic responsibilities and Senior Managers that regulate *ex ante* the economic aspects of any early termination of the relationship at the initiative of the Company or the individual (so-called parachute).

In the event of termination of the existing relationship with the Group, for reasons other than just cause, the orientation is to seek agreements for the termination of the relationship by mutual consent. In the presence of variable components of any remuneration package paid, it is envisaged that in the contractual agreements the Company may request their return, in whole or in part, where such variable components have been paid on the basis of data that later proved to be manifestly incorrect.

Without prejudice, in any case, to legal and/or contractual obligations, the agreements for the termination of the relationship with the Group are based on the reference benchmarks on the subject, within the limits defined by the jurisprudence and practices of the country in which the agreement is concluded.

Servizi Italia, on the termination of office and/or the dissolution of the relationship with an executive Director or a general director, shall publish detailed information regarding the internal processes relating to the allocation or recognition of indemnities and/or other benefits, in compliance with the provisions of the Code of Conduct, in a specific press release circulated to the market.

With regard to Directors holding special offices, to whom specific powers have been delegated and who are not linked by executive employment relationships, generally the Company does not provide for the payment of indemnities or compensation of an extraordinary nature linked to the end of their mandate. This indemnity is not payable if the termination is caused by the attainment of objectively inadequate results; In addition, contractual agreements are in place that allow the Company to request the return, in whole or in part, of variable components of remuneration paid (or to withhold sums subject to deferment), determined on the basis of data that subsequently proved to be manifestly incorrect.

As explained, the Shareholders' Meeting of 20 April 2018 resolved to grant the CEO, in the event of (i) natural expiry of the directorship contract (approval of the 2020 financial statement) without confirmation of his/her position as CEO at the end of the term of office, (ii) revocation without just cause and (iii) resignation for just cause, an indemnity for termination of office of an amount that varies according to the time when the relationship is terminated, and specifically:

- Euro 400,000.00 (four hundred thousand/00) in the event of termination of employment during the first year;
- Euro 500,000.00 (five hundred thousand/00), in the event of termination of the employment relationship during the second year;
- Euro 700,000.00 (seven hundred thousand/00) in the event of termination of the employment relationship during the third year or at the end of the mandate (approval of the 2020 financial statements).

The severance indemnity, if due, would be paid as follows:

- 50%: within six months of leaving office;
- for the remaining 50%, within 12 months of termination of office.

The expiration and/or termination of the directorship contract would result in the termination and/or revocation of the offices and functions that the Director has been called upon to hold. It is understood that, in such event, the Director shall be entitled only to the consideration provided for above, with the exclusion of any additional indemnity or other indemnity of any kind. For further information in this regard, refer to the minutes of the Shareholders' Meeting of 20 April 2018, available on the Company's website at the following address www.si-servizitalia.com and the authorised storage mechanism 1Info at www.1info.it.

With reference to any indemnities in the event of resignation, dismissal or termination of employment paid in the financial year in question, it should be noted that during financial year 2018:

- following the resignation on 17 January 2018 of the non-executive Director Emil Anceschi, the latter did not receive any severance indemnity;
- following the consensual termination of the employment relationship on 31 January 2018, Maurizio Casol (Executive with strategic responsibilities), received a settlement amount defined according to the company rules and practices on the subject and in compliance with the indications contained in the Remuneration Policy. The payment to Mr. Casol, pursuant to the Regulation approved by CONSOB resolution no. 17221/2010 and the RPT Regulation adopted by Servizi Italia, represented a transaction with a related party (as Executive with strategic responsibility) of a minor small amount. The transaction was, however, examined by the Appointments and Remuneration Committee and the RPT Committee, which did not raise any objections.

6. Non-competition agreements

The Company may enter into confidentiality and non-competition agreements with its executive Directors, Executives with strategic responsibilities, Senior Managers or with collaborators with particularly strategic professional skills. These provide for: (i) the recognition of a consideration in relation to the RAL/fixed remuneration component set according to market practice; (ii) duration and extent of the constraint deriving from the agreement itself. The constraint refers to the reference sector in which the Group operates at the time of the definition of the agreement and to the territorial/geographical extension.

In 2018, the Company entered into a directorship contract with the Chief Executive Officer, which provides for a non-competition agreement for a period of 24 months following the termination (for whatever reason) of the office and the powers assigned. In return for the non-competition undertaking, Servizi Italia will pay a gross sum of Euro 500,000, without interest of any kind, corresponding to approximately 1.04 years of the Fixed Monetary Component for the office. This sum will be paid in the following terms:

- ✓ Euro 250,000 gross within 30 days of the actual termination of all offices;
- ✓ Euro 250,000 gross within 12 months of the expiry of the payment deadline referred to in the previous paragraph.

7. Changes in remuneration policy compared to the previous financial year

The remuneration policy adopted for 2019 does not present substantial changes compared to that adopted for the previous financial year, described in the Remuneration Report published in 2018.

In the opinion of the management and the Remuneration Committee, the Policy is suitable to allow a correct definition of competitive remuneration levels and to promote internal fairness and transparency.

8. Other Information

Pursuant to CONSOB resolution no. 18049 of 23 December 2011, it should be noted that:

- in preparing the 2019 Policy, the Company did not use the assistance of consulting firms and/or external experts;
- at the date of this Report, Servizi Italia S.p.A. had no incentive plans based on financial instruments in place pursuant to Article 114-bis of the Consolidated Finance Act.

9. Proposed resolution

Dear Shareholders,

We remind you that the Shareholders' Meeting is required to vote on the "first section" of the Remuneration Report, which refers to the remuneration policy adopted by the Company with regard to the remuneration of members of the Board of Directors and Executives with strategic responsibilities for financial year 2019.

In preparing the Report, Servizi Italia S.p.A. has taken into account the provisions of current laws and regulations and the Code of Conduct for listed companies to which the Company has adhered.

The following is the proposal for a resolution submitted to the Shareholders' Meeting by your Board of Directors, in compliance with the applicable legal provisions:

"The Shareholders' Meeting:

- *having regard to Articles 123-ter of Legislative Decree No 58 of 24 February 1998 and 84-quater of the Regulation adopted by CONSOB resolution no. 11971/99;*
- *having acknowledged the Remuneration Report approved by the Board of Directors;*
- *considering that, pursuant to Article 123-ter, paragraph 6, of Legislative Decree No 58 of 24 February 1998, this resolution shall not be binding on the Board of Directors;*

RESOLVED

to express a favourable opinion on the first section of the Remuneration Report prepared by the Board of Directors pursuant to Article 123-ter of Legislative Decree No 58 of 24 February 1998, with particular reference to the remuneration policy of Servizi Italia S.p.A."

SECTION II

The table below, presented for information to the Shareholders' Meeting, provides a summary of remuneration for the financial year 2018, highlighting its consistency with the Remuneration Policy approved by the Company in the previous financial year.

In the following section, tables 1 and 3B of schedule *7-bis* and table 1 of schedule *7-ter* of annex 3A of the Issuers' Regulations are shown.

The information relating to Tables 2 and 3A of schedule *7-bis* of Annex 3A of the Issuers' Regulations is not shown, as stock option plans for Directors and Executives with strategic responsibilities were not approved by the Shareholders' Meeting.

With regard to the information of table 1 of schedule *7-ter* of Annex 3A of the Issuers' Regulations requested by art. 84-*quarter* of the Issuers' Regulations, it should be noted that the members of the administrative and control bodies, their spouses who are not legally separated and their children aged under 18 do not own any shareholdings in Servizi Italia Sp.A. and its subsidiaries, neither directly nor through subsidiaries, trust companies or third parties.

TABLE 1: Remuneration paid to members of the Board of Directors and Board of Statutory Auditors, general directors and other executives with strategic responsibilities. (values expressed in thousands of EUR)

Name	Position	Period for which the office was held	Expiration of the office	Fixed remuneration	Remuneration for participation in committees	Variable non-equity fees				Total	Fair value of equity remuneration	Indemnities upon termination of office or employment relationship
						Bonuses and other incentives	Participation in shares	Non-monetary benefits	Other fees			
Roberto Olivi	Chairman	01/01/2018-31/12/2018	Approval of Financial Statements at 31/12/2020									
(I) Remuneration in the company preparing the financial statements				83	-	-	-	-	-	83	-	-
(II) Remuneration from subsidiaries and associates				-	-	-	-	-	-	-	-	-
(III) Total				83	-	-	-	-	-	83	-	-
Enea Righi	Deputy Chairman and CEO	01/01/2018-31/12/2018	Approval of Financial Statements at 31/12/2020									
(I) Remuneration in the company preparing the financial statements				457	-	200 ³	-	6	20 ⁴	683	-	(x) ⁵
(II) Remuneration from subsidiaries and associates				-	-	-	-	-	-	-	-	-
(III) Total				457	-	200	-	6	20	683	-	-
Ilaria Eugeniani	Executive in charge of preparing the company's financial reports	01/01/2018-31/12/2018	Approval of Financial Statements at 31/12/2020									
(I) Remuneration in the company preparing the financial statements				106	-	-	-	-	-	106	-	-
(II) Remuneration from subsidiaries and associates				-	-	-	-	-	-	-	-	-
(III) Total				106	-	-	-	-	-	106	-	-
Aristide Mastrangelo	Director	01/01/2018-31/12/2018	Approval of Financial Statements at 31/12/2021									
(I) Remuneration in the company preparing the financial statements				19	-	-	-	-	-	19	-	-
(II) Remuneration from subsidiaries and associates				-	-	-	-	-	-	-	-	-
(III) Total				19	-	-	-	-	-	19	-	-

³ Amount given by the sum of the monetary bonus relating to the ABS plan for the year 2018

⁴ Compensation provided for in the directorship contract of 22/04/2015

⁵ Refer to chapter 5 of this Report

TABLE 1: Remuneration paid to members of the Board of Directors and Board of Statutory Auditors, general directors and other executives with strategic responsibilities. (values expressed in thousands of EUR)

Name	Position	Period for which the office was held	Expiration of the office	Fixed remuneration	Variable non-equity fees					Fair value of equity remuneration	Indemnities upon termination of office or employment relationship	
					Remuneration for participation in committees	Bonuses and other incentives	Participation in shares	Non-monetary benefits	Other fees			Total
Michele Magagna	Director	20/04/2018-31/12/2018	Approval of Financial Statements at 31/12/2020									
(I) Remuneration in the company preparing the financial statements				14	-	-	-	-	-	14	-	-
(II) Remuneration from subsidiaries and associates				-	-	-	-	-	-	-	-	-
(III) Total				14	-	-	-	-	-	14	-	-
Antonio Paglialonga	Director	01/01/2018-31/12/2018	Approval of Financial Statements at 31/12/2020									
(I) Remuneration in the company preparing the financial statements				19	-	-	-	-	-	19	-	-
(II) Remuneration from subsidiaries and associates				-	-	-	-	-	-	-	-	-
(III) Total				19	-	-	-	-	-	19	-	-
Umberto Zuliani	Director	20/04/2018-31/12/2018	Approval of Financial Statements at 31/12/2020									
(I) Remuneration in the company preparing the financial statements				14	-	-	-	-	-	14	-	-
(II) Remuneration from subsidiaries and associates				-	-	-	-	-	-	-	-	-
(III) Total				14	-	-	-	-	-	14	-	-
Lino Zanichelli	Director	01/01/2018-31/12/2018	Approval of Financial Statements at 31/12/2020									
(I) Remuneration in the company preparing the financial statements				19	-	-	-	-	-	19	-	-
(II) Remuneration from subsidiaries and associates				-	-	-	-	-	-	-	-	-
(III) Total				19	-	-	-	-	-	19	-	-

TABLE 1: Remuneration paid to members of the Board of Directors and Board of Statutory Auditors, general directors and other executives with strategic responsibilities. (values expressed in thousands of EUR)

Name	Position	Period for which the office was held	Expiration of the office	Fixed remuneration	Remuneration for participation in committees	Variable non-equity fees			Other fees	Total	Fair value of equity remuneration	Indemnities upon termination of office or employment relationship
						Bonuses and other incentives	Participation in shares	Non-monetary benefits				
Romina Guglielmetti	Independent Director - Chairman of the CRC Committee - Member of CNR	01/01/2018-31/12/2018	Approval of Financial Statements at 31/12/2020									
(I) Remuneration in the company preparing the financial statements				20	22	-	-	-	-	42	-	-
(II) Remuneration from subsidiaries and associates				-	-	-	-	-	-	-	-	-
(III) Total				20	22	-	-	-	-	42	-	-
Chiara Mio	Independent Director - Member of the CRC and Chairman of CNR	20/04/2018-31/12/2018	Approval of Financial Statements at 31/12/2020									
(I) Remuneration in the company preparing the financial statements				20	12	-	-	-	-	32	-	-
(II) Remuneration from subsidiaries and associates				-	-	-	-	-	-	-	-	-
(III) Total				20	12	-	-	-	-	32	-	-
Paola Schwizer	Independent Director - CRC Member - CNR Member - <i>Lead Independent Director</i>	01/01/2018-31/12/2018	Approval of Financial Statements at 31/12/2020									
(I) Remuneration in the company preparing the financial statements				20	22	-	-	-	-	42	-	-
(II) Remuneration from subsidiaries and associates				-	-	-	-	-	-	-	-	-
(III) Total				20	22	-	-	-	-	42	-	-

TABLE 1: Remuneration paid to members of the Board of Directors and Board of Statutory Auditors, general directors and other executives with strategic responsibilities. (values expressed in thousands of EUR)

Name	Position	Period for which the office was held	Expiration of the office	Fixed remuneration	Variable non-equity fees					Fair value of equity remuneration	Indemnities upon termination of office or employment relationship	
					Remuneration for participation in committees	Bonuses and other incentives	Participation in shares	Non-monetary benefits	Other fees			Total
Vasco Salsi	Director, retired	01/01/2018-20/04/2018	-									
(I) Remuneration in the company preparing the financial statements				5	-	-	-	-	-	5	-	-
(II) Remuneration from subsidiaries and associates				-	-	-	-	-	-	-	-	-
(III) Total				5	-	-	-	-	-	5	-	-
Emil Anceschi	Director, retired	01/01/2018-17/01/2018	-									
(I) Remuneration in the company preparing the financial statements				1	-	-	-	-	-	1	-	-
(II) Remuneration from subsidiaries and associates				-	-	-	-	-	-	-	-	-
(III) Total				1	-	-	-	-	-	1	-	-
Paola Galbiati	Independent Director, retired - Member of the Control and Risk Committee and Chairman of the Appointments and Remuneration Committee	01/01/2018-20/04/2018	-									
(I) Remuneration in the company preparing the financial statements				11	-	-	-	-	-	11	-	-
(II) Remuneration from subsidiaries and associates				-	-	-	-	-	-	-	-	-
(III) Total				11	-	-	-	-	-	11	-	-

TABLE 1: Remuneration paid to members of the Board of Directors and Board of Statutory Auditors, general directors and other executives with strategic responsibilities. (values expressed in thousands of EUR)

Name	Position	Period for which the office was held	Expiration of the office	Fixed remuneration	Remuneration for participation in committees	Variable non-equity fees			Other fees	Total	Fair value of equity remuneration	Indemnities upon termination of office or employment relationship
						Bonuses and other incentives	Participation in shares	Non-monetary benefits				
Gianfranco Milanesi	Chairman of the Board of Auditors	01/01/2018-31/12/2018	Approval of Financial Statements at 31/12/2019									
(I) Remuneration in the company preparing the financial statements				25	-	-	-	-	-	25	-	-
(II) Remuneration from subsidiaries and associates				-	-	-	-	-	-	-	-	-
(III) Total				25	-	-	-	-	-	25	-	-
Simone Caprari	Standing Auditor	01/01/2018-31/12/2018	Approval of Financial Statements at 31/12/2019									
(I) Remuneration in the company preparing the financial statements				20	-	-	-	-	-	20	-	-
(II) Remuneration from subsidiaries and associates				-	-	-	-	-	-	-	-	-
(III) Total				20	-	-	-	-	-	20	-	-
Anna Maria Fellegara	Standing Auditor	01/01/2018-31/12/2018	Approval of Financial Statements at 31/12/2019									
(I) Remuneration in the company preparing the financial statements				20	-	-	-	-	-	20	-	-
(II) Remuneration from subsidiaries and associates				-	-	-	-	-	-	-	-	-
(III) Total				20	-	-	-	-	-	20	-	-
Chiara Ferretti	Alternate Auditor	01/01/2018-31/12/2018	Approval of Financial Statements at 31/12/2019									
(I) Remuneration in the company preparing the financial statements				-	-	-	-	-	-	-	-	-
(II) Remuneration from subsidiaries and associates				-	-	-	-	-	-	-	-	-
(III) Total				-	-	-	-	-	-	-	-	-
Paolo Alberini	Alternate Auditor	01/01/2018-31/12/2018	Approval of Financial Statements at 31/12/2019									
(I) Remuneration in the company preparing the financial statements				-	-	-	-	-	-	-	-	-
(II) Remuneration from subsidiaries and associates				-	-	-	-	-	-	-	-	-
(III) Total				-	-	-	-	-	-	-	-	-

TABLE 1: Remuneration paid to members of the Board of Directors and Board of Statutory Auditors, general directors and other executives with strategic responsibilities. (values expressed in thousands of EUR)

Name	Position	Period for which the office was held	Expiration of the office	Fixed remuneration	Remuneration for participation in committees	Variable non-equity fees				Total	Fair value of equity remuneration	Indemnities upon termination of office or employment relationship
						Bonuses and other incentives	Participation in shares	Non-monetary benefits	Other fees			
No. 5 Strategic Directors		01/01/2018-31/12/2018	Indefinitely									
(I) Remuneration in the company preparing the financial statements				442	-	71	-	14	-	527	-	327 ⁶
(II) Remuneration from subsidiaries and associates				-	-	-	-	-	20	20	-	-
(III) Total				442	-	71	-	14	20	547	-	327

⁶ Amount including severance indemnity charges with the executive with strategic responsibilities who ceased office on 31 January 2018, ref. par. "Director-General and Executives with Strategic Responsibilities"

TABLE 3B: Remuneration paid to members of the Board of Directors and Board of Statutory Auditors, general directors and other executives with strategic responsibilities. (values expressed in thousands of EUR)

A Name	B Position	(1) Plan	(2) Year's Bonus			(3) Previous years' bonus			(4) Other bonuses
			(A) Payable/Paid	(B) Deferred	(C) Deferral period	(A) No longer payable	(B) Payable/Paid	(C) Still deferred	
Enea Righi	Chief Executive Officer		200 ⁷	200 ⁸	01/01/2018-31/12/2018	-	-	-	-
No. 5 Strategic Directors			71 ⁹	81 ¹⁰	01/01/2018-31/12/2018	-	-	-	-
(I) Remuneration in the company preparing the financial statements	ABS plan - Financial year 2018		271	-	01/01/2018-31/12/2018	-	-	-	-
	Resolution of 29/04/2019								
	LTI Cash Plan - financial years 2018- 2019-2020			281	01/01/2018-31/12/2018	-	-	-	-
(II) Remuneration in subsidiaries and associates		-	-	-	-	-	-	-	-
(III) Total			271	281		-	-	-	-

⁷ Amount given by the sum of the monetary bonus relating to the ABS plan for the year 2018

⁸ Amount set aside for any monetary bonus of the LTI Cash plan for the vesting period 2018-2019-2020

⁹ Amount given by the sum of the monetary bonus relating to the ABS plan for the year 2018

¹⁰ Amount set aside for any monetary bonus of the LTI Cash plan for the vesting period 2018-2019-2020

SCHEDULE 7-ter- TABLE 2: Participations of other executives with strategic responsibilities

Number of executives with strategic responsibilities	Subsidiary	No. of shares held at the end of the previous year	No. of shares purchased	No. of shares sold	No. of shares held at the end of the current year
5 (five)	Servizi Italia S.p.a. Title of ownership: <i>direct</i> Method of ownership: <i>direct</i>	2,100	None	None	2,100