



ANNUAL REPORT ON CORPORATE  
GOVERNANCE  
AND THE OWNERSHIP STRUCTURE

*Prepared pursuant to art. 123 bis of the Consolidated Finance Act ("CFA")*

2016

Approved by Atlantia's Board of Directors on 10 March 2017

Traditional management and control model

[www.atlantia.it/it/corporate-governance/](http://www.atlantia.it/it/corporate-governance/)

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## INTRODUCTION

This report is intended to provide a general and complete overview of the corporate governance system adopted by Atlantia SpA (hereinafter “Atlantia” or “the Company”).

In compliance with the legal and regulatory obligations in this regard, the Report contains information on the ownership structure, adhesion to the Codes of Conduct and the observance of the consequent commitments, highlighting the choices that the Company has made in application of corporate governance principles.

The text of this Report is published on the internet website of the Company, [www.atlantia.it/it/corporate-governance/](http://www.atlantia.it/it/corporate-governance/) and a copy has been provided to the Italian Stock Exchange in accordance with the terms and procedures set forth under applicable regulations.

\* \* \*

## I. PROFILE OF ATLANTIA

Atlantia's Articles of Association provide that the Company has the following corporate purpose:

- a) the acquisition of investments and interests in other Companies and Entities;
- b) the financing, including the issuance of guarantees, indemnities and collateral and the technical, industrial and financial coordination of Companies or Entities in which it has shares;
- c) any equity, real estate, financial and industrial investment, whether in Italy or abroad.

Ancillary to its principal business, the Company may also purchase, own, manage, use, update and develop, directly or indirectly, trademarks, patents and know-how concerning electronic tolling systems and related or connected activities.

In accordance with the current Articles of Association, Atlantia has adopted a traditional type system of management and control. Corporate management is assigned to the Board of Directors, while all aspects concerning supervisory functions are assigned to the Board of Statutory Auditors and responsibility for auditing the Company's accounts to the Independent Auditors appointed by General Meeting of the shareholders.

## 2. INFORMATION ON THE OWNERSHIP STRUCTURE

### a) Structure of Issued Capital

Atlantia's issued capital amounts to €825,783,990.00 consisting of 825,783,990, par value €1.00, ordinary voting shares.

The Company issued 163,956,286 Atlantia SpA 2013 Ordinary Share Contingent Value Rights ("CVRs") on the effective date of the Atlantia - Gemina Merger (1 December 2013) for allotment free of charge to Gemina's ordinary and/or savings shareholders, who received Contingent Value Rights in exchange for Atlantia shares in application of the share exchange ratio of one Contingent Value Right for each Atlanta share allotted in accordance with the share exchange ratio.

The following were approved at the Extraordinary General Meeting of 8 August 2013: i) issuance together with shares to satisfy the merger share exchange ratio of up to 164,025,376 CVRs and, at the same time, ii) an increase in issued capital to irrevocably satisfy the CVRs up to a par value of €18,455,815.00 through the issuance of 18,455,815 Atlantia ordinary shares with a par value of €1.00.

The CVRs are governed by the Terms and Conditions of the Atlantia SpA 2013 Ordinary Share Contingent Value Rights (the "Terms and Conditions") which are available on the Company's website at [www.atlantia.it/pdf/integrazione-del-regolamento-dei-diritti-di-assegnazione-condizionati.pdf](http://www.atlantia.it/pdf/integrazione-del-regolamento-dei-diritti-di-assegnazione-condizionati.pdf).

Subject to the conditions of allotment as defined in the Terms and Conditions, the CVRs provide their holders with the right to receive a number of Atlantia ordinary shares determined with reference to the Final Allotment Ratio and a Dividend Adjustment as set out in the Terms and Conditions.

In response to the joint application of Atlantia SpA and Gemina SpA, the CONSOB indicated on 1 August 2013 that the CVRs were not eligible for listing.

In consequence of the CONSOB's adverse decision, certain additions were made to the Terms and Conditions so as to provide assurance to CVR holders of the ability to liquidate the instruments,

including an undertaking by the Company to provide CVR holders, for a period of ten months from the issue date of the CVR, with a put option at a price fixed on issuance.

Accordingly, and in compliance with the Terms and Conditions, from 3 December 2013, being the first Stock Exchange trading day after issuance of the CVRs, to 3 October 2014, being the last day of the tenth month from their issuance (the "Exercise Period"), each holder had the right to sell to Atlantia all, and not just some, of the CVRs held when exercise of the put option (the "Put Option") is notified. The Put Options could be exercised at an all-inclusive price of €0.0732 for each CVR (the "Exercise Price").

In the Exercise Period, between 3 December 2013 and 3 October 2014, 160,698,634 CVRs were exercised out of the 163,956,286 CVRs issued, accounting for approximately 98% of the total.

Put Options unexercised during the Exercise Period can no longer be exercised or used with Atlantia, while all the Contingent Value Rights transferred to Atlantia were cancelled.

The rights of holders of Contingent Value Rights that did not exercise their put options will be recognised under article 3 of the Terms and Conditions only if the Material Event occurs during the validity period of the CVRs.

The number of CVRs outstanding as at 31 December 2015 is shown in Table I of the Appendix to this Report.

Information on share-based incentive plans, in the form of share options and/or share grants, is provided in the Remuneration Report prepared pursuant to art. 84-*quater* of the Regulations for Issuers, which is available on the Company's website at (<http://www.atlantia.it/it/investor-relations/assemblee.html>).

## b) Significant shareholdings in the Company

It has been reported to the Company and to the CONSOB that there were the following significant interests in the issued capital of Atlantia at 31 December 2016:

- Edizione Srl<sup>1</sup> with 30.254% held through Sintonia SpA (formerly Sintonia SA)<sup>2</sup>;

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<sup>1</sup> After the merger of Edizione Holding SpA and Sintonia SpA with Ragione became effective, on 1 January 2009, Ragione took the name of Edizione Srl and assumed direct control of the sub-holding, Sintonia SpA, which in turn controls investments in the utilities and infrastructure sectors, including, among others, Atlantia.

<sup>2</sup> Having moved its registered office to Italy, Sintonia SA transformed its legal form into an Italian "*società per azioni*" and was entered into the Milan Companies Register on 27 June 2012 under the name Sintonia SpA.



- Government of Singapore Investment Corporation (“GIC”) Pte Ltd., directly and indirectly, through InvestCo Italian Holdings Srl, with 8.136%;
- Fondazione Cassa di Risparmio di Torino with 5.062%;

Art. 119-*bis*, paragraphs 7 and 8 of the Regulations for Issuers grants asset management companies and duly authorised entities who have purchased managed investments, represented by interests of above 3% and below 5%, an exemption from the reporting requirements provided for by art. 117 of the Regulations in question.

### c) Shareholder agreements

As of the date of this Report, no shareholder agreement was notified.

Regarding the agreement between Sintonia SA (now Sintonia SpA or "Sintonia"), Sintonia SpA (now Edizione Srl), Mediobanca – Banca di Credito Finanziario SpA and Sinatra sarl (a company owned by GS Infrastructure Partners), concerning Sintonia (“Sintonia”) and, in certain respects, Atlantia SpA (“Atlantia”), reference is made to the 2015 Corporate Governance reports and ownership structures available on the Company's website: <http://www.atlantia.it/it/corporate-governance/index.html>.

### d) Change of control and similar clauses

The Single Concession Arrangement in force, executed on 12 October 2007 by the subsidiary, Autostrade per l’Italia SpA (ASPI), and ANAS<sup>3</sup> – and approved by Law 101 dated 6 June 2008 – expressly identifies the requirements that, in the event of a change of control of the operator, pursuant to art. 2359 of the Italian Civil Code, must be met by a new controlling entity. Failure to meet such requirements may result in termination of the concession.

Specifically, these requirements are:

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<sup>3</sup> Concession administration functions of ANAS SpA were transferred by operation of law to the Ministry of Infrastructure and Transport effective 1 October 2012 in accordance with art. 11, para. 5 of Law Decree 216 of 29 December 2011 converted by Law 14 of 24 February 2012, as amended. On 24 December 2013, Autostrade per l’Italia and the Ministry of Infrastructure and Transport signed an addendum to the Single Concession Arrangement – which was approved with decree dated 31 December 2013, and registered by the Court of Auditors on 29 May 2014 – whereby the parties introduced a five-yearly update to the financial plan. However, this addendum did not result in any amendment to the change of control rules for the operator.

- Equity, as reported in the latest accounts, of at least €10 million for each percentage point held in the operator's issued capital;
- location of the corporate headquarters in any country other than a country listed as a tax haven;
- maintenance of the operator's offices in Italy as well as its technical and management expertise, in addition to an undertaking to ensure that the operator has the means to fulfil its obligations under the agreement;
- a management body composed of persons meeting the professional requisites and, if appropriate, the independence requirements pursuant to Legislative Decree 58/1998, and that satisfies the requirements for companies listed on a stock exchange, as established by the laws of the country in which the company has its headquarters.

A substantially similar clause is included in the single Concession Arrangements of the Italian motorway operators controlled by Autostrade per l'Italia (except for the company that manages the Mont Blanc Tunnel), which were signed in 2009 and approved pursuant to Law 191 of 23 December 2009. These agreements came into effect at the end of 2010, following the execution of documents implementing the requirements of the CIPE resolutions of 2010.

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A brief description of the Change of Control (COC) clauses in loan agreements entered into by the Atlantia Group companies is provided below:

- a) Four loans to Autostrade per l'Italia ("ASPI") by CDP of a maximum of €500,000,000 each, dated 19 December 2008, 23 December 2009, and 20 December 2012, as subsequently amended. The loan agreements require accelerated repayment, unless otherwise agreed by lenders, in the event of a change of control with respect to Autostrade per l'Italia (or CDP in the event that it withdraws from a loan funded by the EIB);
- b) Seven loans to Autostrade per l'Italia provided by the EIB of up to, respectively, €200,000,000, €250,000,000, €1,000,000,000, €300,000,000, €250,000,000, €250,000,000 and €200,000,000 dated 20-23 December 2004, 30 September 2005, 24 November 2008, 16 December 2010, as amended, 26 July 2012 and 20 September 2013. Each of the loans is secured by an Atlantia guarantee with the exception of a €200 million

loan dated 20 September 2013 for the environmental and safety investments required by the Single Concession Arrangement to be made between 2011-2016. All of the above loan agreements provide for accelerated repayment in the event of a change of control with respect to ASPI and/or Atlantia;

- c) A €10,000,000,000 Euro Medium Term Note Programme for the issuance by Atlantia of bonds to institutional investors, irrevocably and unconditionally guaranteed by ASPI. The Programme agreement contains change of control and Change of Business and Ownership clauses consistent with international practice with respect to ASPI;
- d) A €7,000,000,000 Euro Medium Term Note Programme for the issuance by Atlantia of bonds to institutional investors, irrevocably and unconditionally guaranteed by Atlantia SpA. The Programme agreement contains change of control and Change of Business clauses consistent with international practice with respect to ASPI.
- e) A €3,000,000,000 Euro Medium Term Note Programme whereby Atlantia issues notes for institutional investors. Under the terms of the programme, the clause "*Redemption at the Option of Noteholders on the Occurrence of a Material Asset Sale Put Event*" contains a put option which can be exercised if (i) Atlantia ceases to exercise control over the Principal Subsidiary and (ii) there is a rating downgrade after this occurrence.
- f) A five-year (and the option of a 2-year extension) revolving loan agreement between Aeroporti di Roma and a syndicate of 8 banks in July 2016, for €250,000,000.00, and a four-year loan of €100,000,000.00 obtained from BNL in November 2016 contain acceleration clauses (to be activated by creditors) in case of change of control. Such event occurs in case a party (other than Atlantia, directly or indirectly) or a group of parties acting in concert (other than a group which includes, directly or indirectly, Atlantia, provided that the equity interest held by Atlantia in Aeroporti di Roma is greater than the equity interest held collectively by the other group members) acquires a controlling interest in Aeroporti di Roma pursuant to and for the effects of article 2359, paragraph 1, sub-paragraphs 1 and 2, of the Italian civil code and/or article 93 of Legislative Decree 58/1998.
- g) Two loan agreements entered into in December 2016 between Aeroporti di Roma and EIB and CDP for €150,000,000.00 each. These agreements contain a change of control clause in line with the preceding paragraph f).

On 14 December 2015 Autostrade Meridionali SpA (SAM) entered into a revolving credit facility agreement with Intesa Sanpaolo – Banco di Napoli for €470,000,000, consisting of:

- (i) A line of credit, immediately available, for €300,000,000 (“Line 1”), of which €245,000,000 already disbursed; and
- (ii) A line of credit of €170,000,000 (“Line 2”), which would be made available upon fulfilment of certain conditions precedent.

As the conditions precedent under ii) above are met, or in case ASPI signs the relevant effectiveness certificate, ASPI will activate an autonomous first demand guarantee for the benefit of the bank (hereinafter the “ASPI Guarantee”) on both the lines of the facility.

Considering that such conditions precedent had not yet been fulfilled as of 5 December 2016, ASPI signed the effectiveness certificate of the ASPI Guarantee, which took effect as of 1 January 2017 on Line 1 alone. The early activation of the Guarantee made it possible to extend the expiration of the relevant loan agreement until 31 December 2017.

The agreement contains a change of control clause in relation to the continuing ASPI role as shareholder of SAM (with a threshold of 51% of SAM’s outstanding voting shares). Failure to comply with such clause will accelerate the repayment of all amounts outstanding and cause the cancellation of both lines of credit.

- h) Day-to-day operations of Atlantia Group companies entail the assumption of bank and capital markets debt obligations typically to finance investments in infrastructure and its maintenance.

Concessions are often operated by special purpose vehicles (“SPVs”) which are generally the parties to the loan agreements in their capacity as borrowers.

In almost all cases, change of control provisions are included in the loan agreements to assure that Group expertise will be made available to the SPV or other borrower on a continuing basis.

These are specific undertakings which can have an effect on the loan generally including an acceleration in the event of a change in the structure of the borrower's shareholders.

Such change of control clauses have been included in the loan agreements of the following consolidated subsidiaries of Atlantia:

- a. [Triangulo do Sol Auto-Estrada SA](#)

The terms and conditions of the 4 January 2013 691.1 million real bond issue provide for an acceleration in the event of a change of Atlantia's indirect control of the issuer unless approved by 75% of bondholders.

#### b. Rodovias das Colinas SA

The terms and conditions of the 11 March 2013 950 million real bond issue provide for an acceleration in the event of a change of Atlantia's indirect control of the issuer unless approved by 75% of bondholders.

#### c. Concessionaria de Rodovia MG-050 SA

The terms and conditions of the 13 May 2013 250 million real bond issue provide for an acceleration in the event of a change of Atlantia's indirect control of the issuer and the guarantor, AB Concessoes SA unless approved by 80% of bondholders.

#### d. Electronic Transaction Consultants

In January 2015, Prosperity Bank renewed the loan agreement for an additional 12 months, on the same terms and conditions, with the amount of the revolving part equal to USD 3.18 million and that of the term loan equal to USD 1.0 million.

The loan agreement provides for acceleration and cancellation of the line in the event that the equity interest of Autostrade dell'Atlantico Srl in the Company falls below 51%.

#### e. Grupo Costanera SpA

The 112.8 million peso bank loan agreement signed with Banco do Chile on 29 February 2012 provides for an acceleration in the event the interests of the current shareholders falls below 50% plus one share.

#### f. Radial Nororiente

The 105.3 million peso bank loan agreement signed with Banco do Chile on 10 December 2007 provides for an acceleration in the event of a variation in the direct and indirect shareholdings of Grupo Costanera, Atlantia and CPPIB.

#### g. Stalexport Autostrada Malopolska SA

The loan agreement of 28 December 2005 for a 380.0 million zloty loan provides for an acceleration in the event of a variation in the direct and indirect interests of the Borrower's current shareholders or other companies engaged in the construction or operation of the road or of the guarantor, in the event that this could result in a material adverse change.

#### h. Azzurra Aeroporti Srl

On 28 October 2016, Azzurra Aeroporti signed a €653,000,000 loan agreement with Banca IMI - Intesa Sanpaolo, Cassa depositi e prestiti, MPS Capital Services, The Bank of Tokyo-Mitsubishi and UniCredit to fund the purchase of a 64% equity interest in Aéroports de la Côte d'Azur. The loan agreement contains an accelerated repayment clause in case Atlantia ceases to own, directly or indirectly, more than 50% of Azzurra Aeroporti Srl.

#### i. Aéroports de la Côte d'Azur

On 7 December 2016, Aéroports de la Côte d'Azur ("ACA") signed with the EIB an addendum to the loan agreement dated 21 November 2014 for €100,000.00, not yet disbursed. The addendum amends the "*Changement de Contrôle*" clause, which calls for the cancellation of the line and the accelerated repayment of any outstanding amount in case one or more parties, other than the shareholders of ACA or Azzurra, acquire, individually or collectively, a controlling interest in Azzurra. Currently, Azzurra Aeroporti Srl has a 64% equity interest in ACA. Atlantia owns 65.01% of Azzurra Aeroporti Srl.

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Regarding Aeroporti di Roma SpA (ADR), attention is called to the following change of control clauses and the like:

The existing Single Concession Arrangement signed on 25 October 2012 by Aeroporti di Roma SpA (ADR), a Group company, and ENAC (the Italian Civil Aviation Authority) - and approved with a Cabinet Office Decree dated 21 December 2012 - sets out the specific requirements and obligations that the new parent must fulfil - in case of change of control for the Operator, pursuant to article 2359 of the Italian Civil Code - on penalty of termination of the concession.

Specifically, these requirements and obligations include:

- a) equity, as reported in the latest approved and certified accounts, of at least €1 million for each percentage point held in the operator's issued capital;
- b) without prejudice to paragraphs 1 and 2 of article 3 of the Single Concession Arrangement<sup>4</sup>, maintenance in Italy of the Operator's registered office, including for tax purposes, as well as the Operator's technical and management expertise necessary to carry out the activities under article 2 (Operator's Obligations and Rights) of the Single Concession Arrangement, undertaking to ensure that that the Operator has the means to fulfil its obligations under the Arrangement and the annexes thereto, acting to the best of its ability to that effect;
- c) the board of directors and the board of statutory auditors are composed, to the extent required, of persons meeting the professional requisites and, if appropriate, the independence requirements pursuant to Legislative Decree 58/1998, as well as the integrity requirements for companies listed on a stock exchange, as established by the laws of the country in which the company has its headquarters.

Any transaction resulting in a change of control for the Operator - pursuant to article 2359 of the Italian Civil Code, which, as such, makes the above provisions inapplicable - must be submitted to ENAC with all the necessary details for approval, which will be provided within 60 days of submission. In the absence of any response, the approval is automatically issued pursuant to article 20, paragraph 1, of Law 241 of 7 August 1990, as amended.

\* \* \*

On 2 October 2015 Pavementale SpA entered into a loan agreement for an amount of up to €50,000,000 with Credit Agricole Corporate Investment Bank Deutschland to fund the purchase of the TBM, the relevant accessories and any other equipment necessary to complete the works related to Lot 2 Galleria Santa Lucia (Variante di Valico), a contract awarded by Autostrade per l'Italia, and the cost of the insurance policy issued by Euler Hermes for the benefit of the exporter of the TBM and related accessories. On 2 October 2016, the maximum amount of this loan was reduced to €39,058,810. The loan has an average maturity of 6.5 years and carries a fixed interest rate of approximately 0.9285%. At 31 December 2016, total disbursements amounted to €31,452,969.74.

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<sup>4</sup> Paragraphs 1 and 2 provided that "changes concerning the Operator (i.e. "any merger, spin-off, demerger, transfer or business or units thereof, change in registered office or corporate purpose, dissolution of the company") must be approved in advance by the Ministry of Infrastructure and Transport and the Ministry of the Economy, following a review by Enac, on penalty of termination of the concession.

The loan agreement calls for Pavimental to have a backlog of works and service contracts from Group Companies worth at least three times the amount of the loan outstanding and allows the lender to terminate the agreement in case the Atlantia Group no longer controls the company (Change of Control clause).

## e) Authority to purchase treasury shares

Pursuant to art. 123 *bis*, first paragraph, letter m), CFA, shareholders at General Meeting on 21 April 2016 revoked the unused portion of the previous authority dated 24 April 2015, granting the Board of Directors, pursuant to arts. 2357, *et seq.*, of the Italian Civil Code and art. 132 of Legislative Decree 58 of 24 February 1998, the powers to, within 18 months, purchase in one or more tranches a maximum of 82,578,399 treasury shares with a par value of €1.00 - including the 2,401,753 treasury shares acquired by the Company on 21 April 2016, pursuant to previous shareholder resolutions – and otherwise, where lower, the maximum number of treasury allowed by law from time to time.

This corporate action was authorised to:

- a) operate in the market, in accordance with the laws and regulations in force from time to time, including through intermediaries, to support Atlantia's share liquidity and/or to stabilise its price, in the presence of fluctuations reflecting unusual trends, due to excess volatility or little market liquidity or sales by shareholders which can affect Atlantia's share price or, more generally, temporary market turmoil;
- b) operate in the market with a medium/long-term approach to investing, including to create long-term equity interests or to take market opportunities by buying and selling shares, in the market (in relation to the purchases in the manner indicated in the Illustrative Report to the Shareholders) or (regarding the sale, disposal or use) in the OTC market or also outside the market or through an ABB or in blocks, at any time, in whole or in part, in one or more instances, without time limits, provided that such transactions take place at market prices;
- c) build a share inventory to sell, dispose of and/or utilise treasury shares – whether held in portfolio or purchased pursuant to the above shareholder resolution – at any time, in whole or in part, in one or more instances, and without time limits, provided that the relevant transactions take place in keeping with the Company's strategic guidelines, in connection with capital actions including, but not limited to, stock-for-stock transactions, contributions, share swaps or in



relation to share-based transactions or other corporate and/or financial transactions including, without limitation, acquisitions, mergers and the like or loan transactions or incentives and similar transactions, in relation to which it is necessary or appropriate to award or perform any other act of disposition of treasury shares (for example in relation to convertible securities, bonds or warrants) as well as to fulfil obligations arising from stock option plans, stock grants or otherwise incentive programmes, whether for payment or free of charge, to group directors and officers, employees or collaborators;

it being understood that if the reasons for the purchase no longer apply, the treasury shares held in portfolio or purchased pursuant to the above authority may be used for the other purposes indicated above and/or sold.

The General Meeting also required, subject to funds sufficient for the Company's investment plans, that the above treasury share purchases be made:

(a) at prices consistent with the provisions of article 5, paragraph 1, of Commission Regulation (EC) No 2273/2003 of 22 December 2003, that is, as of the date of the report to the shareholders, at a price not exceeding the higher of (i) the price of the latest independent transaction and (ii) the highest current independent offer made on the MTA market, organised and managed by Borsa Italiana SpA, or otherwise at a price per share to within 20% of the closing reference price for the day prior to that of every single transaction;

(b) in any way permitted by the laws and regulations in force from time to time, particularly, as of this writing, article 132, paragraph 1, CFA and article 144-bis, paragraph 1, sub-paragraphs a), b), c) and d) of the Regulations for Issuers.

The General Meeting of Shareholders authorised the sale or other act of disposition and/or use, in one or more instances and at any time, without any time limit, of all or part of the treasury shares held in portfolio or purchased pursuant to the resolution, including before completion of the purchases of the maximum amount authorised by the resolution, for all the purposes outlined above, provided that if such transactions are carried out:

(a) for cash, they will have to be executed at a price per share to be determined on the basis of market practices prevailing from time to time otherwise at a price per share to within 10% of the closing reference price for the day prior to that of every single transaction;

(b) in connection with capital actions, including stock-for-stock transactions, contributions, share swaps or in relation to share-based transactions or other corporate actions and/or

financial transactions, they must be executed with the price limits and on the terms and conditions set by the Board of Directors;

(c) in relation to share-based incentive plans, treasury shares must be awarded to the beneficiaries of these plans in place from time to time, in accordance with the terms and conditions of the plans.

For the additional terms and conditions of the shareholder resolution on the authority to purchase and sell treasury shares, reference is made to the Report to the Shareholders available on the Company's website: ([http://www.atlantia.it/pdf/ass2016/Relazione\\_Azioni\\_proprie\\_punto\\_2.pdf](http://www.atlantia.it/pdf/ass2016/Relazione_Azioni_proprie_punto_2.pdf)).

#### Share buyback programme

Pursuant to the resolution adopted by the General Meeting of Shareholders of 21 April 2016, on 1 December 2016 the Company started the buyback plan with the announcement of the purchase of up to 39,258,523 ordinary Atlantia shares, representing – at that date – 4.75% of share capital. As such, this purchase was well within the limits set by article 2357, paragraph 3, of the Italian civil code and was intended both to support the liquidity of the share and to have a treasury share portfolio, to be employed in view of possible medium- and long-term investments as well as to take any market opportunities.

These purchases were made through a financial intermediary.

At 31 December 2016, the Company had purchased a total of 3,608,128 ordinary shares. For additional information on the terms and conditions of the buyback, reference is made to the documents published by the Company in accordance with laws and regulations.

Lastly, the number of treasury shares in portfolio at the end of 2016 was 5,436,047 or 0.66% of the issued capital.

#### f) Management and coordination activities

Sintonia SpA is Atlantia's relative majority shareholder with a 30.25% equity interest.

Thanks to this equity interest, Sintonia SpA holds sufficient voting rights to exercise dominant influence at the ordinary general meetings of Atlantia's shareholders, pursuant to art. 2359,

paragraph 1, sub-paragraph 3) of the Italian Civil Code, considering that, to date, the conditions that determined this situation have not changed.

To this end, it is noted in fact that Atlantia's current Board of Directors – which was appointed at the general meeting of shareholders of 21 April 2016 – is made up mostly of representatives of Sintonia SpA, given that 12 out of 15 were elected from its slate. It should also be noted that this shareholder's slate obtained the majority of the vote thanks also to the vote of other shareholders attending the meeting.

The fact that Atlantia is deemed not to be subject to management and coordination by Sintonia SpA, was confirmed in a specific joint declaration sent to Atlantia on 12 March 2009 by Sintonia SA (which were then companies organised under the laws of Luxembourg) and Schemaventotto SpA. Given that there have not been any further announcements or changes in circumstances, the basis for considering Atlantia as not subject to management and coordination by its parents, Sintonia SA and Schemaventotto SpA, is deemed to be unchanged.

On 20 March 2009 the Board of Directors thus issued an attestation stating that Atlantia is not subject to the management and coordination of any third parties.

Given that there have not been any further announcements by Sintonia SpA, Atlantia can definitely be considered as not subject to management and coordination by any third parties.

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It should be noted that:

- the information required by article 123-*bis*, first paragraph, letter i) (*agreements between the company and directors, ... which provide for indemnities in the case of resignation or dismissal without cause or if their employment ceases following a public tender offer*) are illustrated in the Remuneration Report published pursuant to art. 123 *ter*, CFA;
- the information required by article 123-*bis*, paragraph one, letter l) (*the regulations applicable to the election and replacement of directors ... and the amendment of the articles of association, if different from the applicable legal and regulatory requirements*) are illustrated in the section of the Report concerning the Board of Directors (section 4.1).

### 3. COMPLIANCE

Atlantia's corporate governance system is based on a compendium of rules that are in line with the most recent market and regulatory standards. This system has been created and revised over time by the introduction of rules that substantially correspond to the evolution of business and the requirements of the 2011 Corporate Governance Code prepared by the Corporate Governance Committee for Listed Companies except in the circumstances described further below.

As explained in the reports on corporate governance and the ownership structure published in previous years, the Company substantially implemented the recommendations in 2007 contained in Borsa Italiana's Corporate Governance Code of 2006 by approving its own Corporate Governance Code on 14 December 2007, to provide shareholders and stakeholders a tool to understand more easily and rapidly Atlantia's governance structure.

The Board of Directors revised its Corporate Governance Code on 11 November 2011, 14 December 2012, 11 December 2014 and 15 December 2016 – upon proposal of the Control, Risk and Corporate Governance Committee - incorporating amendments to the Corporate Governance Code for Listed Companies by the Corporate Governance Committee for Listed Companies.

The full text of the latest version of Atlantia's Corporate Governance Code, as revised by the Board of Directors on 15 December 2016, is available on the Company's website at [www.atlantia.it/en/corporate-governance/](http://www.atlantia.it/en/corporate-governance/).

The regulations contained in the Articles of Association and the General Meeting Regulations complete the Company's corporate governance system.

Atlantia is subject to the Italian law.

This Report has been prepared using the format provided by Borsa Italiana for the January 2017 sixth version of corporate governance reports.

## 4. BOARD OF DIRECTORS

### 4.1 Election and replacement

By resolution of 13 July 2012, the Board of Directors amended the Articles of Association, in relation to the provisions on balanced gender quotas in governance bodies, in accordance with Law 120 of 12 July 2011, thereby modifying the articles related to the election of the Board of Directors and the Board of Statutory Auditors.

Articles 19 and 20, in particular, were amended with respect to the method of compiling slates and to set out the criteria for gradual transitional arrangements, to assure an outcome of voting sessions compliant with gender quotas.

Article 21 was also amended with respect to the replacement of directors in compliance with statutory requirements on gender quotas.

All elections to the Board of Directors are made with reference to slates submitted by Members and the retiring Board of Directors, containing sequentially numbered candidates. The slates of candidates for the position of Director must be filed with the Company's registered office at least twenty-five days before the date of the General Meeting to be held as a first or one call meeting. The slates are made available to the public, according to the procedures required by the applicable regulations, at least twenty-one days before the date of the General Meeting to be held as a first or one call meeting. Each Member has the right, singly or jointly with other Members, to submit one slate only, and any candidate included in more than one slate shall be disqualified.

No slate may contain a number of candidates exceeding the maximum number of Directors as provided by the Articles of Association. Each slate must include at least two candidates who meet the independence requirements established by law, and one of these must be entered in first place on the slate.

Slates containing a number of candidates equal to or higher than three must indicate:

- at least a fifth of the candidates belonging to the least represented gender for the first term of office in application of Law 120 of 12 July 2011;

- at least a third of the candidates belonging to the least represented gender for the following two terms of office.

Pursuant to the Articles of Association, only those Members who, singly or jointly with other Members, at the date on which the slates were filed with the Company, represent at least one percent of the issued capital, or the minimum shareholding to be determined in accordance with the applicable laws and regulations, may submit a slate.

The percentage required by the CONSOB - as indicated in resolution no. 19499 of 28 January 2016 - for the submission of slates of candidates to the Atlantia's Board of Directors as renewed in 2016, was 0.5%.

Each Member proposing a slate must submit or mail a certificate issued by the intermediaries in accordance with the law and regulations in force, to the registered office within twenty-one days before the date of the relevant General Meeting to be held as a first or one call meeting, attesting to their holding of the minimum percentage shareholding required in order to submit slates.

Each slate must be accompanied by:

- exhaustive information regarding candidates' personal and professional details;
- declarations of the individual candidates accepting their candidature and providing a personal warranty that there is no fact or deed that could give rise to their disqualification and that they meet the legal requirements for holding such office, and that, where applicable, they meet the independence requirements established by the legislation and regulations in force;
- an indication of the identities of the Members who have submitted the slates and their total percentage shareholding.

Any individual having the right to vote may only vote for one slate. Members of the Board of Directors are elected in the following manner:

- a) for the purposes of allocation of the Directors to be elected, account is not taken of slates that do not obtain a percentage of votes at least equal to half of the percentage required for submission of the slates;
- b) four fifths of the Directors to be elected are taken in sequential order from the slate receiving the majority of votes cast by the holders of shares carrying voting rights, and in compliance

with the legislation in force concerning gender quotas. Any fractions shall be rounded down to the nearest whole number;

- c) the other Directors are taken from the other slates that are not in any manner connected, even indirectly, with the shareholders who submitted or voted for the slate that obtained the most votes. For this purpose, the votes cast for those other slates shall be successively divided by one, two, three up to the number of Directors to be elected.
- d) The resultant quotients are allocated to the candidates on each slate who shall then be ranked in decreasing order by the total quotients allocated to them: the candidates elected shall be those with the highest quotients, provided that the required balance between the gender quotas has been complied with. The quotients attributed in this manner to the candidates of the various slates are then be ranked in decreasing order: the two candidates elected are those with the highest quotients subject to the compliance with gender quotas.
- e) if, on completion of the election and the above procedures, legislation concerning the balance between the gender quotas elected has not been complied with, the candidates elected from the various slates are ranked in decreasing order, based on the quotients calculated in accordance with the procedure described in letter c);
- f) the candidate from the most represented gender with the lowest quotient in the ranking is thus replaced by the first of the candidates from the least represented gender to not be elected and belonging to the same slate. If there are no other candidates in this slate, the above replacement shall be approved by the General Meeting with the majority required by law. If replacement of the candidate from the most represented gender with the lowest quotient in the ranking does not, however, enable the minimum quota required by the legislation in force to be reached, the above replacement process is also applied to the candidate from the most represented gender with the penultimate quotient, and so on rising from the lowest ranked candidate.
- g) in the event that there are candidates with equal quotients, that candidate on the slate from which no Director has already been selected or with the lowest number of Directors selected, is selected, provided that legislation in force concerning the balance between gender quotas has been observed. In the event of a tie of slate votes, and, therefore, equal quotients, the

General Meeting shall hold a new election and the candidate receiving the majority of votes shall be elected.

Article 2.2, sub-paragraph (c) of the Company's Corporate Governance Code provides that if Atlantia is a component of the FTSE-MIB index, at least one third of directors are required to be independent. Such number shall be rounded down to the lower integer, in the event that it is not a whole number. The number of independent Directors may, however, never be less than two.

The Board of Directors – upon a proposal of the Control Risk and Corporate Governance Committee dated 14 December 2012 – did not embrace the principle whereby concentration of corporate roles in one person should be avoided, as contemplated by the Corporate Governance Code for Listed Companies (principle 2.P.4), because it established that the decision to concentrate Group roles in one individual should be assessed by the Board of Directors as and when required and on a case by case basis, without prejudice to the continuing nature of non-group positions held.

## Succession planning

In its version of July 2015, the Corporate Governance Code of Listed Companies provides that any procedure adopted for the succession of executive Directors should contain a clear definition of objectives, tools and timing of the process, the involvement of the Board of Directors and a clear allocation of duties, starting from that for research activities.

Atlantia's Corporate Governance Code, as approved by the Board of Directors on 15 December 2016, adopted the recommendation, requiring the Board of Directors – in case of adoption of a succession plan for executive Directors – to make a disclosure in this Report, with a clear indication of the objectives, the timing and the process.

With regard to planning for the succession of Atlantia's CEO, the Board of Directors is responsible for coordinating and managing any unexpected replacement. The procedures and timing are linked to the occurrence of such circumstances and in any case, as indicated by the Board of Directors, after tapping the external market.

Atlantia's Succession Plan and Talent Management processes are used in the Group for the development of human resources and organisational development decisions. They ensure the Group's management continuity by identifying key positions, potential successors for the key positions and setting out growth plans.



Atlantia's Succession Plan and Talent Management model, which is certified by a qualified consulting company as methodology aligned with best market practices, has been further refined – compared to the last analysis conducted – through:

- the review and expansion of the number of key positions;
- the introduction of certain improvements that might enhance the effectiveness of the process;
- the balancing of the successor pool also through the identification of talent management tracks for the younger population.

In 2016 the Group's Human Resources Department coordinated the process to identify the Group's key positions and set up the model to evaluate skills and performance of the current holders of such positions through the direct involvement of the competent departments of the single Group companies.

The Human Resources and Remuneration Committee has updated (and submitted to the Board of Directors) the results of the Group's Succession Plan and Talent Management. Successors have been identified in terms of immediate readiness, 2/4-year readiness and developing talent pool.

The exercise revealed a largely positive degree of coverage for key positions, both at the level of parent company and at the level of operating companies.

## 4.2 Composition

The Board of Directors in office at 31 December 2016 was elected by shareholders at the General Meeting of 21 April 2016.

At the General Meeting held on 21 April 2016, shareholders resolved that the number of members of the Board of Directors should be fifteen and, in accordance with art. 19, paragraph 3 of the Articles of Association, voted to fix the term of office of the new Board of Directors as three financial years.

Fifteen Directors were appointed for the financial years 2016, 2017 and 2018, based on the slates submitted by the shareholders according to the terms and procedures provided for by art. 20 of the Articles of Association and the applicable laws and regulations.

A total of two slates – which were not found to be linked - were submitted.

Pursuant to art. 20, letter b) of the Articles of Association, 12 Directors were elected, with 61.61% of the voting shares, from the majority slate submitted by Sintonia SpA: Fabio Cerchiai, (Chairman); Giovanni Castellucci, (Chief Executive Officer); Carla Angela; Gilberto Benetton; Carlo Bertazzo; Elisabetta De Bernardi di Valserra; Massimo Lapucci; Giuliano Mari; Valentina Martinelli, Gianni Mion, Monica Mondardini; and Lynda Tyler-Cagni.

Pursuant to art. 20, letter b) of the Articles of Association, 3 Directors were elected - Bernardo Bertoldi, Gianni Coda and Lucy P. Marcus - with 38.12% of the voting shares, from the minority slate submitted by a Group of asset management companies and other institutional investors on behalf of managed funds<sup>5</sup>.

The candidates who declared that they met the independence requirements - pursuant to both article 148 paragraph 3 of the Consolidated Finance Act and article 3 of Atlantia's Corporate Governance

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<sup>5</sup> Aberdeen Asset Management PLC manager of: Abbey Life Assurance Company Limited, HBOS International Investment Funds-European Fund, Aberdeen Investment Funds UK ICVC II-Aberdeen European Equity Enhanced Index Fund, Scottish Widows Overseas Growth Investment Funds ICVC-European Growth Fund, Scottish Widows Investment Solutions Funds ICVC-European (EX UK) Equity Fund, Scottish Widows Investment Solutions Funds ICVC-Fundamental Index Global Equity Fund; Anima SGR SpA, manager of: Fondo Anima Geo Italia, Fondo Anima Geo Europa, Fondo Anima Italia and Fondo Anima Europa; APG Asset Management S.V. manager of Stichting Depository APG Developed Markets Equity Pool; Arca S.G.R. SpA manager of Arca Azioni Italia; Eurizon Capital S.G.R. SpA manager of: Eurizon Azioni Internazionali, Eurizon Azioni Area Euro, Eurizon Azioni Europa, Eurizon Azioni Italia and Malatesta Azionario Europa; Eurizon Capital SA manager of: Eurizon EasyFund - Equity Italy LTE, Eurizon EasyFund - Equity Industrials LTE Eurizon EasyFund - Equity Euro LTE, Eurizon EasyFund - Equity Europe LTE, Eurizon EasyFund - Azionario Euro, Eurizon EasyFund - Equity Italy and Eurizon Easy Fund - Equity Europe; FIL Investments International - FID FDS - Italy; Fideuram Investimenti S.G.R. SpA manager of Fideuram Italia; Fideuram Asset Management (Ireland) Limited manager of: Fideuram Fund Equity Italy and Fonditalia Equity Italy; Interfund Sicav manager of Interfund Equity Italy; Generali Investments Sicav manager of Euro Equity; Legal & General Investment Management Limited-Legal & General Assurance (Pensions Management) Limited; Mediolanum Gestione Fondi SgrPA manager of Mediolanum Flessibile Italia; Mediolanum International Funds Limited - Challenge Funds - Challenge Italian Equity; Pioneer Asset Management SA manager of: PF-Italian Equity e PF Global Equity Target Income; Pioneer Investment Management SGRPA manager of Pioneer Italia Azionario Crescita; Standard Life manager of: Standard Life Investment Company European Equity Income Fund, Standard Life Investment Global Absolute Return Strategies Fund, Standard Life DC Pension Managed Asset, SLI Global SICAV Global Absolute Return Strategies Fund, Standard Life European Equity Pension Fund and Continental European Equity Income SICAV and Ubi Pramerica SGR manager of: Ubi Pramerica Azioni Italia and UbiPramerica Multiasset Italia.

Code – were 8, as subsequently ascertained by the Board of Directors (on this aspect, reference is made to section 4.5 of this Report).

Accordingly, the Board of Directors consists of at least 1/3 of independent directors (in accordance with paragraph 2.2 sub-paragraph (c) of the Corporate Governance Code adopted by the Company) and at least 1/3 of the under-represented sex (pursuant to the Articles of Association and in pursuance of law no. 120 of 12 July 2011).

The Board of Directors is, consequently, composed of thirteen non-executive Directors and two executive Directors (the Chief Executive Officer and the Chairman). The number and authority of non-executive directors shall be such as to ensure that their opinions have a significant effect on board resolutions and that their specific skills and expertise are brought to bear on deliberations, thus helping to ensure that decisions are taken in the Company's best interests.

At 31 December 2016, non-executive directors are, consequently, Angela, Benetton, Bertazzo, Bertoldi, Coda, De Bernardi di Valserra, Lapucci, Marcus, Mari, Martinelli, Mion, Mondardini, Tyler-Cagni.

The Board of Directors appointed Mari as the Director Responsible for the Internal Control and Risk Management System on 22 April 2016.

On 1 December 2016, with a letter dated 30 November 2016, Gianni Mion resigned from the Board of Directors, effective 31 December 2016.

Therefore, on 20 January 2017, the Board replaced the seat left vacant by appointing as non-executive Director Marco Emilio Angelo Patuano, who will remain in office until the next general meeting of shareholders.

The Company's Corporate Governance Code specifies that Directors accept their election when they believe that they can devote enough time to carry out their duties diligently, also in view of the number of positions as a Director or Statutory Auditor held in other Italian and foreign companies listed on regulated markets, and in financial, banking, insurance or other large companies. Table 2 summarises the number of positions in such companies held by each Director as at 31 December 2016, in addition to their position in Atlantia. Annex I lists the positions.

In the meeting held on 14 December 2012, at the recommendation of the Control, Risk and Corporate Governance Committee, the Board of Directors maintained in the Corporate Governance Code its prerogative to express its views on the maximum number of directorships or positions as statutory auditor that Directors can hold in listed companies, whether Italian or foreign, in financial,

banking or insurance companies or in large companies, taking into account also the participation of Directors in Board Committees, in order not to undermine the effectiveness of their role as Company Directors or Statutory Auditors.

Such guidance should be interpreted in conjunction with the requirements laid down in the subsequent sentences of article 1.5 of the Company's Corporate Governance Code whereby, regarding the maximum number of positions, the Board of Directors considers as a necessary precondition for potential Directors or Statutory Auditors the availability of an adequate amount of time to serve effectively in office (see application criterion I.C.3 of the corporate governance code for listed companies). Such assessment should be made by the shareholders, when they select the candidates for inclusion in the slate for election to the Board of Directors and Board of Statutory Auditors, and, most of all, by candidates to such offices.

Atlantia has not adopted any rules on this matter, as they were not considered necessary, considering the ownership structure and the current powers vested in the Board of Directors.

Also, several amendments were introduced to the laws in force that foster a composition of the Board of Directors and the Board of Statutory Auditors that meet regulatory and self-regulatory requirements (for example, article 144 *terdecies* of the Regulations for Issuers, article 147 - *ter* and article 148 of the Consolidated Finance Act, among others).

In order to enable the Directors to carry out their duties in an informed manner, the Company's Chairman has launched a number of initiatives aimed at increasing their knowledge of the Company and how it operates, including updates on developments in the regulatory and self-regulatory environment. Induction sessions were organised for 22 January, 4 March and 16 September 2016 in which information was provided to Directors and Statutory Auditors on the Group's growth guidelines and prospects, on the concession and rate systems and on the commercial activities of Autostrade per l'Italia SpA and Aeroporti di Roma SpA as well as on payment systems.

The personal and professional details of each Director in office at 31 December 2016 are shown in Annex A herewith, while Annex B indicated the number of years in service for each Director.

In the meeting held on 14 December 2012, upon proposal of the Control, Risk and Corporate Governance Committee, the Board of Directors did not adopt criterion I.C.I.h) of the Corporate Governance Code for Listed Companies relating to the requirement for the Directors to provide their opinion to the Shareholders - based on the assessment of the functioning, size and composition of the Board of Directors - on the management and professional experience that would benefit the Board, prior to the election of its new members.

It is worthy of note that, the assessments conducted from time to time on the composition and functioning of the Board of Directors and its Committees did not reveal any criticalities in terms of the free determination of the composition of the Board of Directors through the nomination of Directors on the basis of slates submitted by the majority and minority Shareholders that would justify the expression of such opinions.

There is no reason that Shareholders holding an equity interest sufficient to submit their own slates should refrain from asking members of the retiring Board of Directors as to the necessary management and professional experience.

The conduct of the Board of Directors to any general waiver by the General Meeting of the non-competition clause must be consistent with legislation regarding the powers authorised by the General Meeting as permitted by art. 2390, Italian Civil Code.

However, so far the Shareholders have never authorised any waiver of the non-competition clause under article 2390 of the Italian Civil Code.

### 4.3 Role of the Board of Directors

The Board of Directors is the corporate body responsible for the management of the Company and is, therefore, the only body with the authority and full powers to conduct the affairs of the Company in pursuit of the priority objective of creating shareholder value.

In performing its duties, the Board of Directors must comply with the principles of proper management of the Company and its affairs by observing all relevant laws and regulations and requirements of the Code of Ethics.

The Board of Directors oversees the proper execution and implementation of powers that it has delegated and has the power to issue directions regarding the powers so delegated and to assume responsibility for related transactions. The Board of Directors must, in any event, continue to be vested with policy-making and control powers in respect of the overall operations of the Company in its various components.

The Board of Directors is provided with accurate and timely reports by holders of delegated powers within the Company regarding the performance of those powers and with respect to the Company's business undertakings and their outlook, as well as transactions entered into by the Company and the Group that are considered material due their size or nature. Consequently, as required by art. 27 of the Articles of Association, Directors delegated with specific powers reports to the Board of Statutory Auditors on transactions having significant effects on the results of operations and financial position entered into by the Company and Subsidiaries, particularly having regard to any such transactions that involve Directors acting on their own behalf or on behalf of third parties. Such reports are made on the occasion of Board meetings to be held at least every quarter or, for urgent matters, in documentation to be sent by registered mail to each standing Auditor.

The Board of Directors has, among other things, sole responsibility for:

- drawing up and adopting the Company's corporate governance rules, setting out the guidelines for the Group's corporate governance;
- appointments to the Supervisory Board established by the Board of Directors in accordance with Legislative Decree 231 of 8 June 2001 and approval of the Organisational, Management and Control Model adopted by Atlantia SpA;
- approving and periodically monitoring the implementation of short and long-term strategic, operating and financial plans for the Company and the Group, in addition to making any changes

that become necessary to engage in transactions of strategic importance not originally contemplated in the plans;

- ensuring that transactions with related parties are at all times subject to its sole control, and conducted in compliance with any relevant the CONSOB regulations as implemented the internal procedures of the Company and the Group;
- determining the nature and level of risk compatible with the Company's strategic objectives, including in its considerations all the risks that might impact on the medium-/long-term sustainability of the Company's business;
- approving annual budgets for the Company and consolidated budgets for the Group;
- approving transactions that are of strategic or commercial significance or have a material effect on the Company's results of operations, financial position or cash flows;
- examining, assessing and approving, as required by the Articles of Association, relevant legislation and this Atlantia's Corporate Governance Code, the interim and annual reports required by statute and regulation as may be in force from time to time, which are to be submitted to the Board of Statutory Auditors in accordance with the Company's procedures;
- determining, conferring and revoking powers of the Chairman, Chief Executive Officer and any other executive Directors; appointment of members of the Human Resources and Remuneration and the Risk Control and Corporate Governance, establishing any limits thereto, the manner in which their powers are to be exercised and the frequency at which the officers (at least quarterly) and committees (at least half yearly) holding such powers are required to report on the activities undertaken in the performance of their delegated powers and duties;
- determining, subsequent to having reviewed proposals by the Human Resources and Remuneration Committee and consulted with the Board of Statutory Auditors in accordance with law, the remuneration of the Chairman, the Chief Executive Officer and, if appointed, executive Directors and, unless the preserve of General Meetings, the allocation of the total funds so earmarked to individual members of the Board and Board Committees, as established by the Company's Corporate Governance Code;
- assessing the adequacy of the organisational, administrative and accounting structure of the Company and the Group; reviewing and assessing the general performance of the Company and the Group with periodic comparison of actual with forecast results; reviewing and assessing the existence of any conflicts of interest; the performance of such reviews with reference to information received from delegated bodies, the Company's and Group's management and the

Internal Audit department, and particularly any information received from the Chairman, Chief Executive Officer and the Risk Control and Corporate Governance Committee;

- deciding, at the proposal of the Chief Executive Officer, the composition of the corporate bodies of strategically important subsidiaries;
- without prejudice to the powers of shareholders, in consultation with the Human Resources and Remuneration Committee to the extent so responsible, the approval and implementation of any cash or share incentive plans for the Company's employees, determining the content and criteria of such plans for the employees of subsidiaries belonging to the Group;
- ensuring compliance with the procedure for reporting to the Board of Statutory Auditors, pursuant to art. 150 of Legislative Decree 58/98.

The Board of Directors shall, subject to the consent of the Control, Risk and Corporate Governance Committee:

- a) determine guidelines for the internal control and risk management system, the manners of coordination among the parties involved in it, and review their adequacy at least once a year in terms of the nature of the company and the risks to which it is exposed. The Board shall also ascertain the effectiveness of the system and require the Director responsible for the internal control and risk management system to establish and maintain effective risk management and internal control procedures;
- b) having consulted the Board of Statutory Auditors and the Director responsible for the internal control and risk management system, approve, at least once a year, the work plan developed by the Head of Internal Audit;
- c) and, having consulted the Board of Statutory Auditors, assess the findings of the independent auditors as may be contained in a letter of recommendations and the report on material deficiencies detected during the course of the independent audit.

The Board of Directors shall, on the proposal of the Director responsible for the risk management and internal control system and subject to the consent of the Control, Risk and Corporate Governance Committee and having consulted with the Board of Statutory Auditors:

- i) appoint the Head of Internal Audit or revoke such appointment;
- ii) ensure that the Head of Internal Audit has the resources needed to properly perform his duties;
- iii) determine the Head of Internal Audit's pay consistent with corporate policy.



In consultation with the Board of Statutory Auditors, the Board of Directors also appoints and terminates the appointment of the Manager Responsible for Financial Reporting.

The Board of Directors shall meet on the basis of the meeting schedule approved every year by the Board of Directors, or whenever deemed appropriate by the Chairman. Meetings may also be called by Directors and/or the Board of Statutory Auditors and/or Statutory Auditors, pursuant to the law and the Articles of Association.

The Chairman and the Chief Executive Officer normally inform the Board of Directors during the meeting about significant events that have occurred since the last meeting and, at least on a quarterly basis, about the overall performances of the Company and the Group, the outlook and their exercise of the powers granted to them. Prior to the meeting, and subject to the procedure for managing price sensitive information, the Directors shall be provided with adequate information and documentation regarding the matters to be discussed and included in the agenda. The material, which shall include the content of the resolutions to be voted on, must normally be sent to the Directors at least three days before the date of the meeting to which it refers.

Any Director may propose agenda items for future meetings of the Board of Directors. Every Director shall also be entitled to raise issues, during the meeting, that are not on the agenda. The meeting shall decide whether or not to deliberate the issue not on the agenda by majority vote of all the Directors present.

The participation at Board of Director meetings of the General Manager, where appointed, the Chief Financial Officer, the Manager Responsible for Financial Reporting and of any other managers – in relation to agenda items for which the Board deems their contribution to be of consequence – is deemed to be consistent with management of the Company in pursuit of the creation of shareholder value.

The Chairman, with attendees' consent, may invite other external persons to attend meetings of the Board of Directors as observers or in order to provide support or advice. To that end, 2016 saw the participation in Board meetings of Company and Group directors and executives, depending on the area of expertise, to discuss in greater depth items on the agenda.

#### - [Activities performed in 2016](#)

The Board of Directors of Atlantia held a total of 14 meetings in 2016 with an average length of 2.5 hours.

The average attendance of Directors at Board meetings was 85.62%. (The percentage attendance for each Director is shown in Table 2).

On the occasion of the meetings Directors were provided sufficiently in advance with all the necessary documentation to ensure fruitful participation in Board discussions. The Chairman ensured that the documents provided in advance were timely and complete, preserving the confidentiality of the relevant data and information.

In order to ensure the timeliness and completeness of pre-meeting information for the Board of Directors, documentation was sent by e-mail relating to board meeting agenda items in compliance - to the fullest extent possible, and without prejudice to procedures for confidential or price sensitive information - with the requirement for adequate information and examination of documents sufficiently in advance, to review the items on the agenda, and in any case before the date of the Board of Directors' meetings.

On the limited number of occasions where the documents could not be provided sufficiently in advance, care was taken to illustrate in suitable and accurate manner the matter, providing all the necessary clarifications was provided during the Board meeting, where required, and making available by e-mail the relevant documentation in any case.

The Company's Chief Financial Officer, who has been assigned by the Board of Directors the role of Manager Responsible for Financial Reporting, participated in all Board meetings.

The Chairman assured that Directors were able to participate in initiatives aimed at providing them with sufficient expertise in the sector in which Atlantia works, corporate dynamics and their evolution as well as the regulatory and self-regulatory environment. Regarding 2016, reference is made to paragraph 4.2.

At its meeting of 8 July 2016, the Board of Directors approved the dates of Board meetings it expects to be held during 2017. On this basis, 11 meetings have been planned.

A calendar of corporate events showing the dates of Board of Directors' meetings to approve the annual, six-monthly and quarterly financial reports has been published in accordance with the applicable regulations and made available on the Company's website at [www.atlantia.it](http://www.atlantia.it).

As of the date of this Report, two meetings had been held in 2017.

In 2016, the Board of Directors assessed, among other things, the Company's performance after considering information provided by executive directors and officers and comparing planned with actual results.

The Board of Directors also approved transactions of Atlantia and its subsidiaries with a significant strategic impact on earnings, financial conditions and cash flows based on the provisions of paragraph 4.3 and the Company's Corporate Governance Code.

Lastly, on 20 January 2017, the Board of Directors approved the Group's budget for 2017 and took cognisance of the Group's medium- and long-term projections.

Pursuant to article 3 of Consob Resolution no. 18079 of 20 January 2012, on 17 January 2013, Atlantia's Board of Directors approved participation in the streamlining required by arts. 70, paragraph 8, and paragraph 1-*bis* of CONSOB Resolution 11971/1999 of 20 January 2012, as amended, exercising the option to depart from the obligation to publish the information required by Annex 3B of the Resolution for significant mergers, demergers, capital increases through in-kind contributions, acquisitions and sales.

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The Board of Directors, upon proposal of the CEO, established the Internal Audit department, effective 1 January 2015, and at the recommendation of the Director in charge of the risk management and internal control system and subject to the consent of the Control, Risk and Corporate Governance Committee, and having consulted with the Board of Statutory Auditors, appointed as Director of the Group Internal Audit department Ms Concetta Testa.

The Head of Internal Audit reports to the Chairman of the Board and has no responsibility over any operational areas.

In addition to being responsible for the matters attributed to it by the Company's Corporate Governance Code, the Internal Audit department is responsible for:

- providing support, in relation to the Company and its Subsidiaries, to the Boards of Statutory Auditors, Supervisory Bodies, the Ethics Officer and the Manager Responsible for financial reporting;
- providing support in the upgrade of the Compliance Program by the Group's foreign subsidiaries, ensuring that it is properly complied with;
- determining and revising internal audit methodologies in accordance with best practice.

At its meetings of 10 June 2016 and 15 December 2016, in pursuance of the Corporate Governance Code the Board of Directors conducted analyses and discussions on the nature and level of risk consistent with the issuer's strategic objectives.

Also on 4 March 2016, the Board of Directors - at the recommendation of the Director responsible for the internal control and risk management system and on the basis of the favourable opinion of the Control, Risk and Corporate Governance Committee in consultation with the Board of Statutory Auditors - established guidelines for the internal control and risk management system and expressed a positive opinion on Atlantia's internal control and risk management system, as specified in the following notes.

Upon proposal of the Director in charge of the risk management and internal control system, subject to the consent of the Control, Risk and Corporate Governance Committee, and having consulted with the Board of Statutory Auditors, on 20 January 2017 the Board of Directors reviewed and approved the 2017 Group Audit Plan.

#### - Assessment of the size, composition and functioning of the Board of Directors

Article 14 of Atlantia's Corporate Governance Code, in keeping with criterion I.C.I subparagraph g) of the Corporate Governance Code for Listed Companies, adopted Recommendation no. 2002/162/EC of the European Commission which provides, among others, that the Board of Directors of a listed issuer assess every year its work, using as standards of reference its own composition, organization and functioning.

This self-assessment has already been carried out in January and February 2017 in relation to 2016.

The self-assessment process, which was undertaken by the Company's governance bodies, was structured as follows:

- preparation by the Company of a structured self-assessment questionnaire for Atlantia's Board of Directors and its Committees – taking into account the limited areas for improvement identified in connection with the 2015 self-assessment exercise - where comments and/or suggestions could be made to the short opinions, which was submitted to the Directors in office in the period of the self-assessment;

- processing of data from the questionnaires filled in and compilation of the results in an anonymous and aggregate manner and preparation of a Summary Report on the basis of the data gathered.

In particular, the aspects listed below were assessed:

- composition of the Board of Directors
- functioning and duties of the Board of Directors
- meetings and Decision-Making Processes
- Committees of the Board of Directors
- assessment method.

The self-assessment showed that Atlantia's Board of Directors is already in line with the requirements laid down and expected by the applicable laws in force and the provisions on Corporate Governance.

More specifically:

- The governance system adopted by the Company is considered effective overall.
- Atlantia's current board is adequate, in terms of number, for the Company's size and complexity and has the knowledge necessary regarding tasks, attributable responsibilities and the legal framework of reference. The Board's composition was considered suitable to provide a mix of skills and experience, thanks also to an effective assessment of the level of risk consistent with the Company's strategic goals. Gender diversity was adequate.
- In this context, the number and presence of the Independent Directors is adequate.
- The Induction programme offered to Directors is appreciated.
- Meetings are adequate in terms of frequency, duration and manner of convening. The minute taking process is such as to show in a detailed manner the decision-making process. Presentations at Board meetings help to shape voting decisions.
- The types of matters reserved to the Board are such as to allow Directors to take part in important decisions for an effective management of the Company.
- The Board has assessed appropriately the adequacy of the internal control and risk management system.
- The management of confidential and price sensitive information, and its dissemination to third parties, is consistent with the relevant procedure adopted by the Board of Directors.

- The definition of the Board Committees (Control, Risk and Corporate Governance Committee; Human Resources Committee; Committee of Independent Directors with responsibility for Related Party Transactions) is considered adequate and the mission of the individual committees is clearly defined. The Committees' work has helped the Board of Directors in its decision-making process, thanks also to the reports on the activities performed.

At the meeting held on 16 February 2017, the Control, Risk and Corporate Governance Committee performed a preliminary review of the self-assessment exercise for 2016.

At the meeting of 17 February 2017, the Board of Directors analysed and discussed the results related to the self-assessment. The results were positive and largely in line with those of the previous years, in relation to the themes under analysis.

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## 4.4 Executive Directors and Officers

### - Executive Committee

The Board of Directors has not set up an Executive Committee.

### - Chairman of the Board of Directors

Pursuant to art. 30 of the Articles of Association, the Chairman is vested with the powers of representation before third parties and in legal proceedings.

The Chairman also has an executive role, in as much as he is also responsible, in addition to the powers provided by law and the Articles of Association, for the following:

- following, in accordance with the plans approved at Board level, general initiatives designed to promote the image of the Company and the Group in Italy and abroad, and manage the related communications;
- following any legal issues relating to the Company;
- following the preparation and presentation of proposals on the Company's and the Group's strategic, industrial and financial plans, including multi-year plans, by the Chief Executive Officer;
- following the operating and financial performance of the Company;
- overseeing the internal control system;

- ensuring the accuracy and timeliness of disclosures to market regulators, in agreement with the Chief Executive Officer;
- following the preparation of external and investor relations strategies; together with the CEO setting the agenda for and participating in meetings with strategic investors;
- overseeing corporate affairs and the proper implementation of Board resolutions;
- representation, in implementation of resolutions approved by the relevant corporate bodies, the Company at the ordinary and extraordinary general meetings of companies or entities in which the Company holds interests, with discretionary powers to confer specific powers on the Company's employees or other parties with respect to participation in such meetings;
- overseeing relationships between the Company and Italian and non-Italian authorities, entities and organisations, including those of a supranational nature, and managing the relevant communication process.
- ensuring the receipt by Directors of all the necessary documentation regarding items on the agenda for Board meetings sufficiently in advance, in order for them to participate effectively and constructively in the business of Board meetings;
- ensuring adequate information flows between the Company's Board and other management and corporate bodies to assure that decisions are consistent with Board resolutions.

#### - Chief Executive Officer

At its meeting of 22 April 2016, the Board of Directors re-appointed Giovanni Castellucci as Chief Executive Officer and General Manager.

The Chief Executive Officer is responsible for the execution of Board resolutions falling within the scope of his duties and the management of the company.

Atlantia observes the requirement of art. 2391, Italian Civil Code, that directors must notify other directors and the Board of Statutory Auditors of any interest of the director or a third party in a transaction of the Company advising the nature, terms, origin and importance. In the event such director is the Chief Executive Officer, the director should refrain from becoming involved in the transaction delegating all powers to the Board.

The CEO is responsible for the formulation and presentation of proposals to the Board of Directors regarding:

- short and long-term strategic business and financial plans of the Company and the Group, in addition to any revisions to such plans needed to undertake strategic transactions not originally foreseen;
- budgets and the Group's consolidation;
- corporate actions of the Company and the Group;
- determination of the policies and coordination of Group Companies within the scope of the powers vested in him by the Board of Directors;
- preparation, in accordance with the Board of Directors' guidelines, external and investor relations strategies and implement the relevant contact plans; in agreement with the Chairman, to define and implement plans for contacting strategic investors;
- acquisition and disposal of equity interests in Companies, Entities, Consortia and Temporary Groupings of Companies and, in general, to conclude any stock market transaction of up to €5,000,000 per transaction, even though such transaction might consist of a series of smaller transactions carried out on different occasions.

The General Manager is, among other things, responsible for:

- conclusion of contracts with any third party in relation to the business purpose, provided that the amount does not exceed €5,000,000 per contract;
- conclusion of legal instruments and agreements intended to settle disputes, involving amounts of up to €2,000,000 per settlement;
- conclusion of legal instruments and agreements for the extension of loans to Group companies and guarantees to, or on behalf of, third parties (including Group companies), provided that the amount does not exceed €5,000,000 per transaction;
- conclusion of legal instruments and agreements for the issue of surety bonds involving a maximum notional amount of €10,000,000, for the payment of fees of no more than €30,000.00 p.a. for terms of 36 months or less, to guarantee the proper performance of obligations undertaken, for whatever reason, by the Company or its direct and indirect subsidiaries.

The Chief Executive Officer regularly, at least quarterly, submits the same report to the Board of Directors and the Board of Statutory Auditors on the activities performed in discharging his duties, ensuring, above all, that the Board of Directors receives adequate information on significant,



irregular, unusual or related party transactions, or transactions in which the Chief Executive Officer acts in his own interest or in the interests of third parties, so that the Board of Directors may, in turn, formally report to the Board of Statutory Auditors.

Similar reporting requirements are applicable to executive Directors in respect of the activities performed in discharging their duties.

At its meeting of 14 December 2012, at the recommendation of the Control, Risk and Corporate Governance Committee, the Board of Directors determined that - in the event that the CEO is called upon to serve as Director in another issuer, not belonging to the same group, whose Chief Executive Officer is an Atlantia Director - the Board of Directors will consider as a necessary precondition to serve as Director or Statutory Auditor, the availability of an adequate amount of time to perform their duties in such capacity, as provided for by article 1.5 of the Company's Corporate Governance Code. In addition to the above, the Directors, in accordance with the provisions of article 2391 of the Italian Civil Code, must notify to the other Directors and the Board of Statutory Auditors any interests that they might have - whether personal or on behalf of third parties - in a given Company transaction, specifying the nature, terms, origin and extent of such interests. In the case of the CEO, he shall refrain from undertaking the transaction, leaving the responsibility for its consummation to the Board of Directors.

However, there has never been any case of interlocking directorate, within the meaning of criterion 2.C.5 of the Corporate Governance Code for Listed Companies.

## 4.5 Independent Directors

A suitable number of non-executive Directors are required to qualify as independent Directors.

On the basis of the provisions of the Company's Corporate Governance Code, a Director shall normally, but not necessarily, be disqualified from being an independent Director if the Director:

- a) directly or indirectly controls the issuer, including control exercised through subsidiaries, trustees or through a third party, or is able to exercise significant influence over the issuer, or participates in a shareholders' agreement through which one or more persons may exercise control or significant influence over the issuer;
- b) has, or had in the previous year, a direct or indirect commercial, financial or professional relationship of significance with (i) the issuer, a subsidiary of the issuer or any prominent representative of such parties, (ii) with a party, who, either alone or together with others through a shareholders' agreement, controls an issuer or (for companies or entities) with any prominent representative thereof;
- c) is or was, at any time during the previous three years, an employee of the issuer, one of its subsidiaries or any party controlling the issuer through a shareholders' agreement, or of a representative of the issuer;
- d) is or was, at any time during the previous three years, a representative of the issuer or any of the issuer's strategically important subsidiaries, or of a company jointly controlled with the issuer; or, a company or other entity that, whether acting alone or in concert with others through a shareholders' agreement, controls the issuer or is able to exercise significant influence. 'Prominent representative' means the Chairman, legal representative, executive Directors and key management personnel;
- e) receives, or has received in the past three years, from the issuer or a subsidiary or parent of the issuer, significant additional remuneration compared to the "fixed" (as determined by Atlantia) remuneration paid to a non-executive Director of the issuer, including participation in performance-related incentive plans, including share option plans;
- f) is the Executive Director in another company in which an executive Director of the issuer is a Director;
- g) is a shareholder or a Director of a company or entity belonging to the group of companies appointed to audit the issuer's accounts;

- h) is a close family member of an individual who holds any one of the above positions or engages in any one of the above activities;
- i) was a Director of the Company for more than nine of the last twelve years.

The independence of Directors shall be periodically reviewed by the Board of Directors, based on information provided by the individuals concerned and that available to the Company. The Board shall examine the Director's direct or indirect commercial, financial or professional relationships with the Company, assessing their significance both in absolute terms and with reference to the economic and financial position of the individual concerned. To this end, account shall be taken of any relations that, although not significant from a financial viewpoint, are of particular importance for the prestige of the interested party. The results of the Board of Directors' reviews shall be disclosed to the market.

Any criteria used for the determination of independence other than that provide by the Code is assessed, as and when necessary, by the Board of Directors.

In particular, regarding director independence, both pursuant to article 148, paragraph 3, of the CFA and the Company's Corporate Governance Code, the Board of Directors currently in office assessed the relevant statements by Directors Angela, Bertoldi, Coda, Lapucci, Marcus, Mari, Mondardini and Tyler-Cagni upon submission of their candidacy in the meeting of 22 April 2016, pursuant to article 144-novies, paragraph I bis, sub-paragraph a) of the Issuers' Regulation.

In this respect, it is worthy of note that the only change in relation to the statements submitted was the appointment (on 20 April 2016) of Ms Monica Mondardini as Chairperson of the Board of subsidiary Aeroporti di Roma SpA ("ADR"), with ADR, in a meeting held on the same date, vesting in her only the powers provided for by the law and the articles of association and no individual management powers or the assignment of specific roles in the preparation of corporate strategies.

With reference to Mr Mondardini's position, attention is called to article 3.I, sub-paragraph d) of the Company's Corporate Governance Code, whereby, as a rule, a director is considered non-independent if "the previous three years, a prominent representative of the issuer or any of the issuer's strategically important subsidiaries (...). 'Prominent representative' means the Chairperson, legal representative, executive Directors and key management personnel".

Regarding this aspect, attention is paid also to the Corporate Governance Code for Listed Companies:

- i) the Board of Directors “shall evaluate the independence of its non- executive members having regard more to substance than to the form” (see art. 3.C.1);
- ii) “the elements symptomatic of absence of independence are set out by way of example and are not binding on the Board of Directors, which may adopt, for the purpose of its evaluations, additional or different, in whole or in part, criteria” (see comments to article 3);
- iii) “The appointment of an independent director of the issuer in companies controlling it or controlled by it does not cause the loss of independence requirement: in such cases, it should be considered, amongst other things, whether the holding of several offices could determine a total remuneration such as to hinder the independence of the director” (see comments to article 3);
- iv) “Significant representatives of a company controlling the issuer or controlled by the issuer (if it is strategically significant) or under common control could be considered not independent irrespective of the amount of the relevant remunerations, by reason of the duties entrusted to them. Also in this event, the Board of Directors is required to make a substantial evaluation: therefore, by way of example, a director who is vested with the office of non-executive chairman of the controlling company or of a subsidiary, could be considered independent in the issuer, if he had received such appointment because he is “super partes” (see comments to article 3)”.

Therefore, having reviewed, in light of the above principles, the information provided by the Directors through their CVs, lists of positions, statements as well as their direct and indirect commercial, financial and professional relationships with the Company, the Board of Directors found, pursuant to the CFA and the Company’s Corporate Governance Code, that all of the above-mentioned Directors, including Ms Mondardini, meet the independence requirements.

On 22 April 2016, the Board of Statutory Auditors verified the correct application of the criteria and procedures adopted by the Board of Directors in assessing the independence of Directors.

The outcome of the assessments conducted by the Board of Directors and the Board of Statutory Auditors was disclosed to the market on 22 April 2016.

There were eight independent directors on the Board as at 31 December 2016.

Provided that Atlantia is still a component of the FTSE MIB, article 2.2 of the Company's Corporate Governance Code requires that at least one third of the Board of Directors must be independent. In the event one third is not a whole number, it is rounded. The number of independent Directors may, however, never be less than two.

Atlantia's Corporate Governance Code requires the independent Directors to meet separately in closed session at least once a year. Furthermore, the Code requires that the meetings of the Independent Directors be considered separate and different from meetings of the Board of Directors.

In 2016 Independent Directors met in a closed session on 15 December 2016 and made certain positive observations, among others, on the quality of board reporting and induction meetings.

## 4.6 Lead Independent Director

On the basis of the provisions of art. 30 of the Articles of Association, the Chairman and Chief Executive Officer are authorised to represent the Company.

The separation of the positions of Chairman and Chief Executive Officer renders the appointment of a Lead Independent Director unnecessary.

## 5. THE PROCESSING OF CORPORATE INFORMATION

With regard to the internal management and publication of documents and information relating to Atlantia, with specific reference to price sensitive information, the Company's Board of Directors has adopted the following procedures:

- the Procedure for Market Announcements;
- the Code of Conduct for Internal Dealing.

Moreover, in June 2016, following a positive opinion of the Control, Risk and Corporate Governance Committee, in 2014 the Board of Directors updated both procedures, to introduce the amendments required by the Regulation of the European Parliament and the European Union of 16 April 2014, no. 596/2017 on market abuse ("MAR Regulation"), the Commission implementing Regulation no. 347/2016 and the Commission delegated Regulation of 17 December 2015, no. 2016/522 (Delegated Regulation). The updated versions of these documents are available on the internet at: [www.atlantia.it/it/corporate-governance/](http://www.atlantia.it/it/corporate-governance/).

The Procedure for Market Announcements regulates the internal management and publication of price sensitive information by Atlantia SpA and its subsidiaries (meaning the companies controlled directly or indirectly by Atlantia), as provided for in the related regulations and in compliance with art. 8 of the Company's Corporate Governance Code and art. 8 of the Group's Code of Ethics.

In particular, the Chairman and Chief Executive Officer are responsible for managing confidential information in line with the requirements of Atlantia's Corporate Governance Code (articles 6.3, letter c, and 8.1) and their powers. The Chairman is responsible for proper and prompt disclosure to market regulators and the Chief Executive Officer for providing the market with trading updates.

In compliance with the MAR Regulation and the Implementing Regulation EU no. 347/2016, Atlantia has established a register of persons with access to insider information as a result of their jobs, profession or in the course of the performance of their duties.

The Domestic Legal and Corporate Affairs unit is responsible for keeping the Register current.

The same unit also notifies the relevant persons that they have been included in the register and of all subsequent variations, and/or deletions and advises them of the responsibilities involved in accessing

and properly managing information into which they may come into possession as well as obligations of confidentiality.

The Procedure for Market Announcements is completed and supplemented by the provisions of the Code of Conduct for Internal Dealing, in implementation of the applicable rules and regulations (the "Code of Internal Dealing").

The Code of Internal Dealing governs the reporting requirements of Relevant Persons to Atlantia and the Market on transactions (share purchase, sale subscription or exchange) concluded by such persons on shares and bonds, or on related financial instruments, issued by Atlantia, within the limits and terms imposed by the Code.

The Company's Code of Internal Dealing identifies Relevant Persons and "Persons closely linked to them", also establishing that it is the responsibility of a Relevant Person to indicate other Persons who, in relation to the activities performed by or tasks assigned to them, including for limited periods of time, are subject to the same rules as Relevant Persons.

The Code of Internal Dealing also provides that Relevant Persons and Persons Closely Linked to them may not trade in the Company's shares and bonds, or related financial instruments, during the thirty days preceding an announcement to the market of Board of Directors approval of the Company's draft annual and semi-annual financial statements, or in the ten days preceding the announcement to the market of additional information pertaining to the first and third quarters.

At 31 December 2016, the Consob had not yet completed the procedure to issue the new version of the Issuers' Regulation, to transpose the MSR Regulation and the ensuing implementation regulations. After the publication of this new version, the Company will consider the possibility to update the above procedures.



## 6. BOARD COMMITTEES

The Board of Directors established the Committees listed below, pursuant to the recommendations of the Corporate Governance Code for Listed Companies:

- 1) Corporate, Risk and Corporate Governance Control Committee and
- 2) Human Resources and Remuneration Committee

In addition, the Board of Directors has established a:

- 3) Committee of Independent Directors with responsibility for Related Party Transactions, pursuant to the CONSOB Regulations on related party transactions.

Regarding said Committees, reference is made to the following sections of the Report.

The Company does not have a Nominations Committee for the reasons explained below.

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In 2004, the Company created the Committee for Social and Environmental Responsibility, now named Sustainability Committee, which is responsible for setting out the Group's Sustainability strategies, policies and objectives, monitoring closely their effectiveness.

This Committee approves the guidelines for the reports that describe and convey to the outside the Group's approach to Sustainability.

The Sustainability Committee is chaired by Prof. Mio and consists of 12 members, including the Company's CEO and Atlantia Group executives with the qualifications and expertise necessary to support the Committee's activities.

## 7. NOMINATIONS COMMITTEE

As reported last year – from the introduction of Atlantia’s Corporate Governance Code and upon proposal of the Control, Risk and Corporate Governance Committee – the Board of Directors did not establish a nominations committee, as new directors are appointed according to a slate voting procedure, in accordance with the procedure provided for by art. 20 of the Articles of Association. Such procedure is transparent and compliant with the requirements of the Corporate Governance Code for Listed Companies.

Therefore, considering that:

- the reason the committee was required by art. 5 of the December 2011 revision of the Corporate Governance Code of Listed Companies was the need to make the process of nominations transparent, which, however, was already fulfilled by the cited article of the Articles of Association; and that
- as past experience has shown, Atlantia’s shareholders have so far not had difficulty in submitting nomination proposals;

Atlantia’s Board of Directors did not deem necessary to establish a Nominations Committee.

On the other hand, it should be noted that the various Company Boards of Directors elected from time to time have been characterised by a varied and balanced presence of distinguished management, economic, legal and business professionals and that the role and authoritativeness of independent and non-executive directors and the self-assessment procedure allow the Board of Directors to fulfil the nomination functions attributed to the Committee by the Corporate Governance Code for Listed Companies.

## 8. HUMAN RESOURCES AND REMUNERATION COMMITTEE

As provided by article 10 of Atlantia's Corporate Governance Code, the Board of Directors has set up a board committee called the Human Resources and Remuneration Committee, which has five non-executive Directors. The Committee has investigative functions and provides consultation and advice to the Board. At least one member of the Committee must possess adequate financial knowledge and expertise, to be evaluated by the Board of Directors at the time of appointment. The Committee elects the Chairman from among its members.

With reference to the composition of the Committee, Atlantia's Corporate Governance Code deviates in part from principle 6.P.3 of the Corporate Governance Code for Listed Companies, which provides that: *"The Board of Directors shall establish, from among its members, a remuneration committee, made up of independent directors. Alternatively, the committee may be made up of non-executive directors, the majority of which are to be independent; in this case, the chairman of the committee is selected from among the independent directors. At least one committee member shall have an adequate knowledge and experience in finance or remuneration policies, to be assessed by the Board of Directors at the time of his/her appointment"*.

In fact, the Board of Directors was granted the broadest powers possible when determining the Committee's composition to assess the experience, professionalism and independence of the non-executive directors considered to be the best candidates for the committee.

This approach was approved by the Board of Directors at the meeting of 14 December 2012, having heard the opinion of the Control, Risk and Corporate Governance Committee.

This, however, did not preclude Atlantia's Board of Directors from adopting, upon the appointment of the Human Resources and Remuneration Committee in office, a composition in line with the recommendation contained in principle 6.P.3 of the Corporate Governance Code for Listed Companies (*"Alternatively, the committee may be made up of non-executive directors, the majority of which to be independent; in this case, the chairman of the committee is selected among the independent directors"*) as the majority of members of the Committee consists of independent directors and the Chairman is a Director that fulfils the independence requirement.

In the meeting held on 22 April 2016 Atlantia's Board of Directors appointed as members of the Committee the following non-executive Directors: Carlo Bertazzo, Gianni Coda, Massimo Lapucci,

Monica Mondardini e Lynda Tyler-Cagni (concerning the composition of this Committee before such date, reference is made to the 2015 Corporate Governance Report).

The Directors, Coda, Lapucci, Mondardini and Tyler-Cagni all meet the independence requirements pursuant to article 148 paragraph 3 of the Consolidated Finance Act and article 3 of the Corporate Governance Code.

At the meeting of 9 June 2016, the Committee appointed independent Director Lynda Tyler-Cagni as its Chairman.

The possibility to appoint non-executive Directors as members of the Committee – without the obligation for the majority to be made up of independents – allows the Board of Directors the broadest choice of highly qualified candidates for the position. In the meantime, the Board may appoint as members of the Committee all independent directors, or a majority of Independent Directors, thus following, in fact, the recommendations of the Corporate Governance Committee – which was in fact the case in this particular instance.

The objective is to allow the Board of Directors to identify, from among its members, those non-executive Directors that, for various reasons (such as professional experience, specific duties assigned to the Committee, individual characteristics, ability to express a substantially independent conduct, beyond the formal requirement etc.), are best suited to ensure the proper functioning of the Committee and to provide research support to the Board of Directors on financial issues and related compensation policies.

Upon their appointment, the Board found that all the Committee members are in possession of specific and adequate financial expertise and at least one has expertise in remuneration policy.

The Committee elects a Chairman from among its members and

- a) submits proposals to the Board relating to the establishment of a general policy for the remuneration of the Chairman, the Chief Executive Officer, executive Directors and key management personnel – including for the purpose of preparing the Board's report describing the policy, to be presented to the Annual General Meeting – and periodically assesses the adequacy, overall consistency and effective application of the general remuneration policy approved by the Board;
- b) submits proposals to the Board relating to the overall remuneration of the Chairman, the Chief Executive Officer, executive Directors and key management personnel (in the latter case, based on the information provided by the Chief Executive Officer) and, at the proposal of the Chief

Executive Officer, relating to the criteria on which the remuneration of the Company's and the Group's senior management shall be based, including the relevant performance targets related to the variable component of the remuneration;

- c) monitors application of decisions taken by the Board, verifying above all the effective achievement of performance targets;
- d) examines any share-based or cash incentive plans for employees of the Company and the Group, the criteria on which the composition of the corporate bodies of strategically important subsidiaries is based, and strategic staff development policies.

As required by the Corporate Governance Code, the Chairman and Chief Executive Officer/General Manager attend the Committee's meetings, except for meetings at which proposals regarding their own remuneration are discussed.

As required by the Committee's Regulation, the Chairman of the Board of Statutory Auditors (or other Standing Auditor designated by the Chairman) participates in meetings – upon request of the Committee's Chairman - whenever matters are deliberated for which the Statutory Auditors' recommendation is required; this particularly includes meetings where the overall compensation of Chairman of the Board of Directors, the Chief Executive and other Directors is determined or the criteria for the remuneration of Company and Group key management personnel and senior management for approval by the Board of Directors as recommended by the Board of Statutory Auditors.

The Committee's meetings are attended also by the Group Head of Human Resources who, in his capacity as Secretary of the Committee (as appointed on 9 June 2016), records the minutes of the meeting.

The Committee's meetings may be attended also by other persons, if requested by the Committee, to provide information and opinions on specific agenda items.

The July 2015 version of the Corporate Governance Code of Listed Companies calls for the Chairman of the Committee to report to the Board of Directors, as soon as feasible, on the meetings held. Atlantia's Corporate Governance Code, as approved by the Board of Directors on 15 December 2016, adopted the recommendation, leaving it up to the Committee Chairman and the Directors to choose the most appropriate date to report to the Board on the activities performed. This also not to overburden further the Board's activities.

In 2016 the Committee held six meetings, which were duly recorded on minutes by the Secretary, with an average duration of approximately one hour and a half (the percentage attendances of Committee members at the meetings are shown in Table 2) and took decisions and formulated proposals regarding the following points:

- Appointment of the Committee's Chairman and Secretary;
- Evaluation of the implementation and adequacy of the 2015 Policy;
- 2016 Remuneration Policy for the Atlantia Group;
- Planning of the Committee's activities for 2016;
- Preparation of the Atlantia Group's 2016 Remuneration Report;
- Report on the 2016 Remuneration of Autostrade Meridionali SpA (a listed indirect subsidiary of Atlantia);
- Assignment of 2016 objectives for the Chief Executive Officer and the Group's key management personnel;
- LTI plan for 2014-2016: setting out of Gate target and value of target and identification of beneficiaries for 2<sup>nd</sup> cycle;
- Final results related to the 2015 annual objectives for the Chief Executive Officer and the Group's Key management personnel;
- LTI plans for 2011-2013: progress report on the implementation of the plans and review of Gate achievement;
- Succession Plan for key management personnel;
- Setting of compensation under article 2389, para. 3, of the Italian civil code for the Chairman and the CEO of Atlantia, Autostrade per l'Italia and Aeroporti di Roma;
- Setting of compensation for the Independent Director Committee for related party transactions and for the Director in charge of internal control and risk management;
- Setting of compensation for the Manager responsible for Atlantia's and Autostrade per l'Italia's financial reporting;
- Overall compensation package for the Group's key management personnel;
- Report on the current status of key management personnel;
- LTI plans: miscellaneous;
- Succession Plan: 2016 update;
- Leadership Model and correlation MBO vs. Performance;
- Plan of the Committee's activities for the first four-month period of 2016.

The Board has been supported by verifiably independent leading consultancy firms for the above matters.

At least seven meetings are planned for 2017, three of which have already been held at the date of this Report.

Autostrade per l'Italia's Head of Group Human Resources also attended Committee meetings to act as the Committee's Secretary and take minutes.

The Company, through the Head of Human Resources, ensured that the Committee had access to the information and functions necessary for the performance of its duties and, when so required, the Committee availed itself of external consultants.

## 9. REMUNERATION OF DIRECTORS

Atlantia's Board of Directors approved a Group Remuneration Policy on recommendation of the Human Resources and Remuneration Committee in December 2011.

At the Board meeting of 12 February 2016, a recommendation by the Committee was approved to review Policy for 2016.

The Policy entailed the pursuit of impartiality, in the face of sustainable performance, within the organisation and competitiveness with the Company's peers in comparable sectors in terms of business and size.

The Group Remuneration Policy had been developed in a manner consistent with the applicable laws and regulations, including the principles and criteria of art. 6 of the July 2015 version of the Corporate Governance Code of Listed Companies adopted by art. 10 of Atlantia's Corporate Governance Code.

The Policy is described in the "Remuneration Report" which has been placed on the Company's website (<http://www.atlantia.it/it/corporate-governance/remunerazione.html>) and was submitted to the General Meeting on 21 April 2016 for a consultative, non-binding vote pursuant to art. 123 *ter*, paragraph 6, CFA, where it was approved.

All of the information on remuneration paid in 2015 required to be disclosed in the Report on Corporate Governance and the Ownership Structure, including the information required by art. 123-*bis* of the CFA, has been included in that Report, to which reference is made.



## 10. CONTROL, RISK AND CORPORATE GOVERNANCE COMMITTEE

### A) Composition and functioning

Atlantia's Board of Directors established and Control and Risk Committee and called it "Control, Risk and Corporate Governance Committee" (hereinafter referred to as "CRCGC" or "the Committee").

The Committee's composition is governed by Atlantia's Corporate Governance Code, which provides that this Committee be composed of "non-executive Directors, including at least one Director representing minority shareholders (...)".

On this aspect, Atlantia's Corporate Governance Code differs in part from principle 7.P.4 of the Corporate Governance Code for Listed Companies, which provides that: "The control and risk committee is made up of independent directors. Alternatively, the committee can be made up of non-executive directors, the majority of which being independent ones; in this case, the chairman of the committee is selected from among the independent directors. (...)".

This approach had been approved by the Board of Directors at the meeting of 14 December 2012, having regard to the opinion of the CRCGC.

Such approach is intended to allow the Board of Directors a broad overview of the experience, expertise and independence of judgment of the non-executive Directors considered suitable candidates for the Committee.

This, however, did not preclude Atlantia's Board of Directors from adopting, when the current Committee was appointed, a composition that is totally in keeping with the recommendation contained in the abovementioned principle 7.P.4 of the Corporate Governance Code for Listed Companies ("The control and risk committee is made up of independent directors."), as the members of the current Committee are all independent directors.

In fact, on 22 April 2016, the Board of Directors appointed as members of the CRCGC Carla Angela, Bernardo Bertoldi and Giuliano Mari, all of them non-executive and independent directors pursuant to article 148, paragraph 3, of the Consolidated Finance Act and article 3 of the Corporate Governance Code.

The possibility to appoint non-executive directors as members of the CRCGC – without the obligation that at least the majority be made up of independent directors – allows the Board of

Directors the broadest choice of qualified candidates for the position, it being understood that the Board may appoint all independent directors on the Committee, or mostly independent directors, in keeping with the recommendations of the Corporate Governance Committee, as was the case in this instance.

The objective is for the Board of Directors to identify such non-executive directors who, for different reasons (such as professional experience, specific expertise in the matters dealt with by the Committee, individual characteristics, ability to act independently in both substance and form etc.), are best qualified to ensure the proper functioning of the Committee and the most effective research support to the Board on the internal control system, risk management and financial reporting.

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Still with respect to the composition of the Committee, Atlantia's Corporate Governance Code provides that: at least one member should be a minority Directors; at least one of the members should have adequate accounting, finance or risk management experience; the Chairman of the Committee should be elected by the members of the Committee.

Regarding the above provisions, attention is called to the following.

Mr Bernardo Bertoldi was elected on the minority slate.

Mr Giuliano Mari has accounting, finance and/or risk management expertise considered adequate by the Board of Directors at the time of appointment.

In the first meeting of the Committee, which was held on 13 June 2013, Giuliano Mari was elected Chairman of the Control, Risk and Corporate Governance Committee.

With respect to the functioning of the Committee in question, it is noted in particular that:

- ⇒ The Committee's meetings are coordinated by a chairman and the proceedings are duly recorded; the Chairman of the Committee reports to the Board of Directors on the activities performed whenever it deems it appropriate, or upon request by one or more directors. On this aspect, the Board of Directors – in transposing into Atlantia's Corporate Governance Code the amendments introduced in July 2015 in the Corporate Governance Code for listed companies – adopted substantially the new recommendation, leaving it up to the Chairman of the Committee and the Directors to decide when to report to the Board of Directors on the activities performed by the Committee. This also not to overburden the Board's activities (reference is made to paragraph B, sub-paragraph e) hereinbelow;
- ⇒ In 2016 the Committee had thirteen meetings;
- ⇒ The average length of the meetings was about two and one half hours;

- ⇒ Attendance to the meetings of each member is indicated in Table 2;
- ⇒ The Committee has scheduled nine meetings for the current year; as of the date of this Report, five meetings had been held.

As required by the Corporate Governance Code, the Chairman of the Board of Statutory Auditors (or another standing Auditor, at his request) attend Committee meetings. Depending on the issues to be deliberated, the Chairman of the Board of Directors, the Chief Executive Officer, the Director responsible for the Internal Control and Risk Management System, the Manager Responsible for Financial Reporting, all standing Auditors, the Head of Internal Audit and any other managers whose presence is deemed necessary may be invited to take part.

In 2016, the CRCGC's meetings were attended, upon the Chairman's request, by all the corporate executives responsible for the areas under review by the Committee, in relation to the items on the agenda.

## B) Functions assigned to the Control, Risk and Corporate Governance Committee

The Control, Risk and Corporate Governance Committee provides support, with due examination, for the Board's evaluation of and decisions relating to the internal control and risk management system as well as those relating to approval of financial reports.

The Control, Risk and Corporate Governance Committee:

- a) assists the Board of Directors in carrying out its duties as defined in Article II.3 of the Company's Corporate Governance Code<sup>6</sup>;
- b) at the request of the Chief Executive Officer, express opinions on specific aspects of the identification of the main business risks and the design, implementation and management of the internal control and risk management system;

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<sup>6</sup> Art. II.3 of the Atlantia Corporate Governance Code specifically provides that:

1. The Board of Directors shall, subject to the consent of the Control, Risk and Corporate Governance Committee:
  - a) determines guidelines for the internal control and risk management system and review their adequacy at least once a year in terms of the nature of the company and the risks to which it is exposed. The Board shall also ascertain the effectiveness of the system and require the Director responsible for the internal control and risk management system to establish and maintain effective risk management and internal control procedures;
  - b) having consulted the Board of Statutory Auditors and the Director responsible for the internal control and risk management system, approves, at least once a year, the work plan developed by the Director of Internal Audit;
  - c) and, having consulted the Board of Statutory Auditors, assesses the findings of the independent auditors as may be contained in a letter of recommendations and the report on material deficiencies detected during the course of the independent audit.
2. The Board of Directors shall, on the proposal of the Director responsible for the risk management and internal control system and subject to the consent of the Control, Risk and Corporate Governance Committee and having consulted with the Board of Statutory Auditors:
  - a) appoints the Director of Internal Audit or revoke such appointment;
  - b) ensures that the Director of Internal Audit has the resources needed to properly perform his duties;
  - c) determines the Director of Internal Audit's pay consistent with corporate policy.

- c) evaluates the work plan developed by the Head of Internal Audit, examine the periodic reports prepared by the same and oversee the independence, adequacy, effectiveness and efficiency of the Internal Audit department;
- d) assesses, together with the Manager Responsible for Financial Reporting, the independent auditors and the Board of Statutory Auditors, the adequacy of the accounting standards used, the propriety of their application and their consistency for the purposes of preparation of separate and consolidated financial statements;
- e) reports to the Board of Directors, at least every six months on the occasion of approval of annual and half-year financial statements, with respect to the activities regarding internal control and risk management and the adequacy of the system;
- f) may require the internal audit of specific operating areas. Such internal audits must be reported to the Chairmen of the Board of Statutory Auditors;
- g) carries out any other duties assigned by the Board of Directors; to this end, the Committee is called upon to supervise compliance with and the periodic update of the corporate Governance rules and the Organisation, Management and Control Model and the Code of Ethics adopted by the Company;
- h) through adequate investigation, supports the decisions of the Board of Directors with respect to the approval of periodic financial statements;
- i) makes recommendations to the Board of Directors regarding the corporate governance report for the purposes of describing the characteristics of the risk management and internal control system and the extent to which it is fit for purpose;
- j) reviews, where deemed appropriate, the management of risk deriving from the main detrimental events that have come to the Board of Directors' knowledge, providing, where required, its opinion to the Board of Directors.

The Committee meets at least once every two months at the behest of one of its members. Its members set down the Committee's rules of functioning.

The Committee's functions are entirely independent of those of the Supervisory Board, with which it engages in wide-ranging exchanges of information. The Committee (i) may request information from the Supervisory Board and (ii) provides information requested by the Supervisory Board.

In particular, the Board of Directors adopts resolutions on the matters listed below, with the favourable opinion of the Control Risk and Corporate Governance Committee.

- ⇒ Setting out of guidelines for the internal control and risk management system and test, at least once a year, of its adequacy in relation to the Company's characteristics, as well as its effectiveness.
- ⇒ Approval, at least once a year, of the work plan prepared by the Head of Internal Audit, having regard to the opinion of the Board of Statutory Auditor and the Director responsible for the internal control and risk management system.
- ⇒ Evaluation, having regard to the opinion of the Board of Statutory Auditors, of the results illustrated by the independent auditor in any management letter and in the report on the main deficiencies detected during the audit.

Furthermore, the Board of Directors, at the recommendation of the Director responsible for the Internal Control and Risk Management System and based on the favourable opinion of the Control, Risk and Corporate Governance Committee, and having regard to the opinion of the Board of Statutory Auditors:

- a) appoints and dismisses the Head of Internal Audit;
- b) ensures that the Head of Internal Audit has adequate resources to perform his duties;
- c) sets his compensation in accordance with corporate policies.

The favourable opinion of the Control, Risk and Corporate Governance Committee on the above matters is binding.

## C) Activities performed in 2016

The Control, Risk and Corporate Governance Committee met thirteen times in 2016, for an average of approximately two and one half hours.

The Chairman of the Board of Directors and the Chief Executive Officer were invited to participate in all of the Committee's meetings and actually attended almost all. The Chairman of the Board of Statutory Auditors also attended nearly all meetings and several meetings were held jointly with the entire Board of Statutory Auditors. Moreover, the Committee's meetings are attended regularly also by the General Counsel and the Head of Internal Audit.

Committee meetings are recorded by the secretary to the Committee with the minutes being submitted at the next meeting to Committee members for approval.

In carrying out its duties, the Committee was able to access the company information needed for its duties.

The Committee addressed the following matters in 2016:

- ✓ Report to the Board of Directors on the activities carried out by the Committee in the second half of 2015 and the first half of 2016;
- ✓ Assessment of the adequacy, efficacy and effective functioning of the internal control system during 2015: opinion to the Board of Directors;
- ✓ 2015 Audit Plan: opinion to the Board of Directors.
- ✓ Review of the documentation related to the assessment of the composition and functioning of the Board of Directors and its Committees for 2015.
- ✓ Report of the Manager Responsible for Financial Reporting on his activities pursuant to art. 154, fifth paragraph, CFA. Financial statements for the year ended 31 December 2015.
- ✓ Impairment tests for Atlantia, ASPI and ADR.
- ✓ Review of the pre-closing financial statements for the year ended 31 December 2015: meeting with the Manager Responsible for Financial Reporting and the independent auditors.
- ✓ Annual Report on Corporate Governance and the Ownership Structure for 2015.
- ✓ Annual assessment of the adequacy of the guidelines for the Internal Control and Risk Management system with respect to the characteristics of the company and its risk profile: opinion to the Board of Directors.
- ✓ Review and updated regular reports on the activities resulting from the provisions of the Operating Rule “Reporting on the inspection plans related to the motorway structures and infrastructure”.
- ✓ Reports on the implementation of the 2016 Audit Plan and monitoring of audit activities.
- ✓ Litigation concerning the Safety Tutor system.
- ✓ Report of the Manager Responsible for Financial Reporting on his activities pursuant to art. 154, fifth paragraph, of the Consolidated Finance Act: financial statements for the six months ended 30 June 2016.
- ✓ Review of the pre-closing consolidated financial statements for the six months ended 30 June 2016: meeting with the Manager Responsible for Financial Reporting and the independent auditors.
- ✓ Meetings held regularly with Ethics Officer and Supervisory Board;
- ✓ Guidelines on the risk appetite methodology for the Atlantia Group;

- ✓ Main legal disputes;
- ✓ Report of the Head of Internal Audit for 2015, pursuant to article II.3, paragraph 3, subparagraph d) of Atlantia's Corporate Governance Code;
- ✓ Meeting with Head of Operational Compliance;
- ✓ Risk assessment activities and determination of risk appetite in the Group's significant companies;
- ✓ Update on risk catalogue;
- ✓ Documents on risk appetite;
- ✓ Review of reports for the period on the activities performed by the Ethic Officer and the Supervisory Board;
- ✓ Meeting with ADR's Accountable Manager;
- ✓ Focus on risk assessment in ADR;
- ✓ Update of Code of Ethics;
- ✓ Update of Atlantia's Corporate Governance Code;
- ✓ Regular meetings with: the Director responsible for the Internal Control and Risk Management System, Head of Internal Audit, Atlantia's Group Controlling Director, Risk Officers of Autostrade per l'Italia and Aeroporti di Roma, CFO, Manager Responsible for Financial Reporting, independent auditors, and Atlantia's Board of Statutory Auditors. One of the reasons for the meetings was the evaluation of internal control and risk management systems.
- ✓ Upon renewal of its members, the Committee appointed also its Chairman and Secretary.

The Committee's work was supported by the Corporate Governance department.

The Committee did not make use of any specific financial resources in carrying out its duties.

During 2016 the Committee did not use any external consultants.

## II. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

As set out in the 15 December 2016 revision of the Company's Corporate Governance Code, the internal control and risk management system consists of all of the instruments, rules, procedures and corporate organisational structures designed to enable - via the adequate identification, measurement, management and monitoring of the main risks - sound and correct management of the Company in a manner consistent with the Company's objectives set out by the Board of Directors.

The risk management and internal control system established by the Board of Directors shall be based on the following general principles:

- a) operational powers: operational powers are assigned taking account of the size and risks associated with the various categories of transaction;
- b) organisational structures: the organisational structures are arranged in such a way as to avoid functional overlaps and the concentration of responsibility for highly critical or risky activities in one individual;
- c) regular reports: each process is subject to a set of standards and a related regular report designed to measure its efficiency and effectiveness;
- d) regular analyses: the professional knowledge and skills available within the organisation are periodically analysed in terms of their match with the objectives assigned;
- e) operating processes: operating processes are defined in such a way as to ensure that there are adequate documentary records enabling their continuous assessment in terms of fairness, consistency and responsibility;
- f) security systems: security systems guarantee an adequate level of protection for the corporate organisation's assets and data, to allow access to data as required in order to carry out the activities assigned;
- g) risk monitoring: the risks connected to achievement of objectives are identified and periodically monitored and updated. Negative events that may pose a threat to the organisation's business continuity shall be appropriately assessed and the related protections adapted;
- h) ongoing supervision: the risk management and internal control system must be subject to continuous supervision to enable periodic assessment and ongoing adaptation.



An effective internal control and risk management system contributes to:

- i) monitoring the efficiency, measurability and verifiability of the Company's operations and, in general, verifying and monitoring the correctness and reliability of corporate governance and management of the Company's and the Group's businesses;
- ii) ensuring and checking the quality and reliability of accounting, management and financial information provided to the governance bodies and disclosed to the market, in general, including controls of the related registration processes and information flows;
- iii) ensuring and monitoring compliance with the requirements of the Code of Ethics and, in general, the applicable legislation and regulations;
- iv) ensuring implementation of and compliance with the Organisational, Management and Control Model pursuant to Legislative Decree 231/2001 and regulatory requirements;
- v) protecting the value of the Company's assets, including the prevention of fraudulent activity that may damage the Company and the financial markets.

The function of the Board of Directors, as explained in the section on its role, is, subject to the consent of the Control, Risk and Corporate Governance Committee, to:

- determine guidelines for the internal control and risk management system, and the manners of coordination among the parties involved in it, and review their adequacy at least once a year in terms of the nature of the company and the risks to which it is exposed. The Board shall also ascertain the effectiveness of the system and require the Director responsible for the internal control and risk management system to establish and maintain effective risk management and internal control procedures;
- having consulted the Board of Statutory Auditors and the Director responsible for the internal control and risk management system, approve, at least once a year, the work plan developed by the Head of Internal Audit;
- and, having consulted the Board of Statutory Auditors, assess the findings of the independent auditors as may be contained in a letter of recommendations and the report on material deficiencies detected during the course of the independent audit.

On 11 December 2014 the Board of Directors, upon proposal of the Chief Executive Officer, established the Internal Audit Department (which was eventually renamed Group Internal Audit

Department) as of 1 January 2015 and - upon proposal of the Director responsible for the internal control and risk management system and with the favourable opinion of the Control, Risk and Corporate Governance Committee, having regard to the Board of Statutory Auditors' opinion - appointed as Head of Internal Audit Ms Concetta Testa.

On 19 December 2014, Memorandum no. 12/2014 was issued with the structure of the Internal Audit Department as follows:

- Motorway Segment Audit;
- Airports Segment Audit;
- Holding and Industrial Companies Audit;
- Foreign Audit;
- Monitoring of Internal Control System and Compliance.

Memorandum no. 4/2015 outlined the scope of the responsibilities of the Group Internal Audit Department.

The Head of Internal Audit reports hierarchically to the Chairman of the Board and has no responsibility over any operational areas.

In addition to being responsible for the matters attributed to it by the Company's Corporate Governance Code, the Internal Audit Department is responsible for:

- providing support, within the scope of its duties and responsibilities, to the Company and its subsidiaries, the Board of Statutory Auditors, the Supervisory Bodies, the Ethics Officer and the Manager Responsible for financial reporting;
- providing support to the Group's foreign subsidiaries in upgrading their Compliance Programmes, checking their adherence thereto;
- determining and revising internal audit and risk management methodologies through the provision of continual development in accordance with best practice.

On 8 October 2015, Memorandum 3/2015 were issued to outline the scope of the responsibilities of the Group Internal Audit Department.

To create awareness of the Internal Audit Department within the Group, on 5 August 2015 Atlantia's Director in charge of the Internal Control and Risk Management System sent a letter – which had been previously shared with the Control, Risk and Corporate Governance Committee – to Atlantia's

direct and indirect subsidiaries, in Italy and abroad, with a description of the scope of the Group Internal Audit Department's responsibilities.

The letter explained that the Group Internal Audit Department operates on the basis of an annual Plan, related to Atlantia and its subsidiaries, which is approved by Atlantia's Board of Directors pursuant to article II of the Company's Corporate Governance Code.

In addition, the letter specifies that the Audit Reports, with a description of any findings and any areas for improvement of the internal control system detected – together with any recommendation – will be sent to the Company's governance and control bodies. Lastly, the letter indicated that it will be up to each Group Company, which in turn will adopt the necessary corporate resolutions, to:

- take advantage, in its own interest, of the Internal Audit Department by providing it with the support necessary to carry out its tasks and to access Company information, files (both paper and electronic ones), human resources and assets;
- submit any proposed action to be included in the Audit Plan;
- approve the audit activities related to the Company to be included in the Audit Plan;
- request inspections and audits not contemplated in the Audit Plan;
- act on the internal control system as necessary or appropriate, also as a result of the audit activities, notifying the Internal Audit Department in relation thereto;

The Internal Audit Department will, in turn, monitor completion of the corrective actions to be taken through appropriate follow-ups, notifying the Companies concerned.

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On 11 December 2014, the Board of Directors resolved to create, as of 2 February 2015, a Group Controlling Department, reporting directly to the Chief Executive Officer and General Manager.

Memorandum no. 8/2015 outlined the scope of the duties and responsibilities of the Group Controlling Department which, in relation to risk management:

- supports the Director in charge of the internal control and risk management system, the Control, Risk and Corporate Governance Committee and the Board of Directors, ensuring: i) the necessary information flows within the Group; ii) consistency in the methodological approach and the alignment of execution schedules in respect of the Risk Appetite and the

Catalogue of risks of the Company and the Group, directing the activities of the Risk Officers and the Focal Points;

- monitors the development, by the Subsidiaries, of methodologies to identify, analyse and manage risks in keeping with the guidelines of Atlantia's Board of Directors;
- ensures that the Group's risk appetite reflects risk assessments made by the Company and its Subsidiaries and updates the Catalogue of Group risks based on feedback received from the Subsidiaries through the respective Risk Officers and Focal Points.

With reference to Atlantia's risk management activities, the Group Controlling Department:

- identifies and assesses, with support from the competent departments, corporate risks;
- identifies, for each risk, the risk owner and the risk co-owner.

On 22 April 2015, the Risk Control and Corporate Governance Committee set out the guidelines to define the Risk Appetite. Such guidelines are updated every year and lay down Atlantia's Risk Management process as well as the manners in which the Risk Appetite and the Catalogue of risks are defined/updated for each Group Company.

Moreover, the Board of Directors of Atlantia and its subsidiaries approve annually the nature and level of risk consistent with the strategic objectives (the latest approval took place on 10 June 2016) and the catalogue of risks. The latest approval of Atlantia's Catalogue of risks took place on 15 December 2016.

In the second half of 2016, upon recommendation of the Risk Control and Corporate Governance Committee, the Company performed, with the support of PricewaterhouseCoopers, a review (which was completed on 10 November 2016) of the alignment with best practice of the Risk Management methodology adopted by the Atlantia Group and its proper application by the Group companies.

The analysis did not reveal any criticality and showed substantial consistency in the comprehension and implementation of the methodology by the Group Companies.

On 11 November 2016, the Board of Directors resolved, effective 14 November 2016, to create a Group Compliance and Security Department that would report directly to the Chief Executive Officer and General Manager.

Memorandum no. 5/2016 outlined the scope of the duties and responsibilities of the Group Compliance and Security Department:

- design the overall governance model for Group Compliance;
- define and develop, in agreement with the organisational areas concerned, specific Compliance programmes for the Company and its subsidiaries, with reference to the regulatory framework of reference and the policies adopted;
- lead and coordinate the competent organisational areas of Atlantia and its subsidiaries in the implementation of the Compliance programmes, monitoring and assessing their progress;
- set out, in agreement with the General Counsel, the Guidelines for Atlantia and its Subsidiaries to prepare and implement the procedures called for by the Organisation, Management and Control Models under Legislative Decree 231/01 and the procedures implementing the rules of conduct adopted;
- provide support to Atlantia's Supervisory Board;
- identify, at Group level and in agreement with the General Counsel, the legal criteria to support the definition of the risk appetite and the catalogue of risks, monitoring the area of interest for proper implementation;
- guide and coordinate at Group level the security activities for the human resources and for all the Group's assets and infrastructures.

## Main characteristics of existing risk management and internal control systems in respect of the financial reporting process

The risk management system should not be considered separately from the internal control system in relation to financial reporting. In fact, both are part and parcel of the same system.

In the context of the internal control system, with reference to the process of financial reporting, the Group has implemented and continually revises an internal control system for financial reporting, based on a series of administrative and accounting procedures such as to guarantee their truthfulness, accuracy, reliability and punctuality in accordance with the regulations governing their preparation.

The planning, implementation and maintenance of this system, and its regular assessment, are informed by international best practices and compliant with the “CoSo Report III”, which is the internationally recognised framework of reference for the implementation, analysis and assessment of the internal control and risk management system. In particular, the CoSo Report III (published by the Committee of Sponsoring Organizations of the Treadway Commission) provides for five components (control environment, risk assessment, control activities, information and communication, monitoring activities) that operate at the level of organisational entity and/or operating/administrative process, based on their characteristics.

The internal control system for financial reporting provides for regulations, procedures and guidelines by virtue of which Atlantia SpA ensures the exchange of data and information with its subsidiaries, thereby ensuring their coordination. In particular, this activity is carried out through the distribution, by the Parent Company, of regulations for the application of the reference accounting standards, such as the “Guidelines for preparation of the IFRS reporting package used in drawing up the Group’s consolidated financial statements”, and procedures regulating the preparation of the separate and consolidated financial statements and of the six-monthly accounts and reports. The operational processes put in place by subsidiaries on the basis of the Parent Company’s guidelines are applicable to the above.

The setting up of audits is performed after a process conducted according to a top-down approach, aimed at identifying the organisational entities, processes and specific activities capable of generating the risk of unintentional errors or fraud that could have a material impact on financial reports.

## Description of the main characteristics of existing risk management and internal control systems in respect of the financial reporting process

### a) Phases of the existing risk management and internal control systems in respect of financial reporting

The process of monitoring the internal control system for financial reporting is reiterated on a six-monthly basis in compliance with the provisions contained in art. 154 bis, paragraph 5 of the CFA. The process is broken down into the following phases:

- *Identification of financial reporting risks*: risk identification activities are performed with reference to Atlantia SpA’s separate financial statements and the Atlantia Group’s consolidated financial statements, and is based on the assessment of qualitative and quantitative aspects

concerning, firstly, the selection of significant companies to be included in the analysis, and then the classes of transaction and significant accounts.

This selection activity requires:

- i) the determination of quantitative criteria with respect to the contribution in terms of operating performance and financial condition of the individual companies to the latest accounts and the selection rules, including minimum materiality thresholds;
- ii) the consideration of qualitative elements that might contribute to the inclusion of other entities or classes of transactions on the basis of the specific risks determined by the accounting implications of the transactions carried out by the above entities, or by the presence in the accounts of the latter of substantial amounts in terms of contribution to the consolidated financial statements in relation to items not considered in the above criteria.

Every material item of data/information is traced back to the accounting and administrative processes that originated them and the typical financial report “assertions” are identified (existence and occurrence of events, completeness, measurement and recognition, rights and obligations, presentation and reporting) and the risks that one or more financial statement assertions do not provide a true and fair view, with consequent impact on the financial report.

- *Assessment of financial reporting risks*: the risks are assessed in terms of potential impact on the basis of quantitative and qualitative indicators and assuming the absence of controls (at an inherent level). Risks are assessed at entity level and at process level. The former includes risks of fraud, incorrect working of IT systems and other unintentional errors. At process level, financial reporting risks (underestimation, overestimation, inaccuracy etc.) are analysed with reference to the activities that make up the processes.

- *Identification of controls for the risks detected*: the risks detected are addressed through controls capable of mitigating them, both at entity level and at process level.

Key controls are determined, according to risk-based and top-down controls; such controls are deemed necessary to ensure with reasonable certainty the prevention and timely identification of material errors in financial reporting.

- *Assessment of controls in relation to identified risks*: the process of analysing and assessing the internal control system for financial reporting continues with the assessment of the identified controls in terms of adequacy (effectiveness of control design) and in terms of effective application.

Effective application is tested through specific activities performed first of all by the management line responsible for implementing such controls and, to ensure the effective assessment and consistent design of the control system, by the Financial and Accounting Compliance unit available to the Manager in charge.

The monitoring of the effective application of administrative and accounting procedures is conducted with regard to the effective implementation of key controls.

The assessment procedure is chosen on the basis of the underlying risk: this choice takes into account the strengths and weaknesses of the control environment that may condition the outcome of the assessments made, the complexity of the control, the type of control (manual or automatic), the level of judgment required during the process and the dependence of the control on the functionality of other controls.

The monitoring activities involve sampling techniques in line with international best practices. With reference to the automatic controls implemented, the assessment of adequacy and effective application is extended to the design and operation of general IT controls supporting the relevant applications.

At the end of the monitoring activity, any deficiencies or problems are tested for significance. The Manager responsible for financial reporting will, at least every six months, bring to the attention of the Control, Risk and Corporate Governance Committee the results of the activities performed and the assessment process described above by checking, together with it, the adequacy of the administrative and accounting procedures, and their effective application, in view of the issue of the attestations provided for by article 154 bis of the Consolidated Finance Act. Such results are also brought to the attention of the Board of Directors and the Board of Statutory Auditors.

#### b) Roles and Functions involved

The internal control and risk management system requires a clear identification of the roles involved in its planning, implementation, monitoring and upgrading over time.

The Manager responsible for financial reporting is responsible for monitoring the internal control system on financial reporting. In particular, this Manager:

- is responsible for ensuring the preparation of the administrative and accounting procedures necessary to prepare the annual financial statements, the six-monthly condensed financial statements and the consolidated financial statements, as well as any other periodic financial reports;
- complies with article 154-bis by issuing the attestations required by the applicable laws and regulations.



In performing these duties, the Manager responsible for financial reporting relies on the Financial and Accounting Compliance unit, which performs the following functions:

- operational management of the System in its planning, implementation, monitoring and upgrading phases;
- review of the design and effectiveness of controls;
- fostering of the necessary synergies with Atlantia's Internal Audit department and the coordination of primary external experts in relation to their support to the performance of the unit's duties and responsibilities;
- ensure at Group level, thanks to the Company's and its subsidiaries' departments, the upgrade, implementation and monitoring and effective application of the procedures falling within the purview of the Manager responsible for financial reporting.

Lastly, the Manager responsible for financial reporting works in cooperation with the company units responsible for auditing the internal control system, to obtain all the information necessary to take effective action and to ensure the effectiveness and efficiency of the attestation process.

## Guidelines and assessment of the adequacy, efficacy and effective functioning of the internal control and risk management system

With regard to the provision in the Company's Corporate Governance Code, on the guidelines for the internal control system and the assessment of its adequacy, efficacy and effective functioning, at its meeting of 8 March 2013 and in pursuance of the Corporate Governance Code, as revised on 14 December 2012, the Board of Directors conducted analyses and discussions on the nature and level of risk consistent with the issuer's strategic objectives. A revision to the analysis was performed by the Board of Directors on 13 December 2013. At its meeting of 11 December 2014, in pursuance of the Company's Corporate Governance Code updated as of the same date, the Board of Directors conducted analyses and discussions on the nature and level of risk consistent with the issuer's strategic objectives.

In 2015:

- in the meeting of 6 March, the Board of Directors set out the guidelines for the internal control and risk management system and gave a positive assessment of Atlantia's internal control and risk management system;

- in the meeting of 8 May the level of Risk Appetite for the entire Group was set, together with the strategies and objectives to be pursued;
- in the meeting of 11 December, the results of the risk management updates carried out by the relevant companies were presented to the Board.

In 2016, in the meetings of 4 March and 10 June – based on the proposals of the Director in charge of the internal control and risk management system, and the favourable opinion of the Control, Risk and Corporate Governance Committee, after consultation with the Board of Statutory Auditors – the Board of Directors issued the guidelines for the internal control and risk management system.

In the meeting held on 15 December 2016, the Board of Directors implemented article 1.3 of the Corporate Governance Code, which defines the nature and level of risk consistent with the issuer's strategic objectives, with the proviso that the Board include in its assessments all significant risks that might materialize against the medium- and long-term sustainability of the Company.

Moreover, during the year the Board noted the six-monthly reports in which the Internal Control and Corporate Governance Committee, the Supervisory Board, the Ethics Officer and the Manager Responsible for Financial Reporting described the activities carried out.

Lastly, at its meeting of 10 March 2017, after noting the conclusions of the analysis by the Control, Risk and Corporate Governance Committee of the detailed information provided by staff responsible for the internal control and risk management system, the Board of Directors was of the opinion that the internal control and risk management system, as a whole, may be deemed adequate, efficacious and in good working order.

## II.1 Director responsible for the Internal Control and Risk Management System

The Board of Directors determines guidelines for the internal control and risk management system and review their adequacy at least once a year in terms of the nature of the Company and the risks to which it is exposed. The Board also ascertain the effectiveness of the system and require the Director responsible for the internal control and risk management system (the "Director Responsible") to develop and maintain effective risk management and internal control procedures.

The Director Responsible determines the tools and the implementation procedures for the risk management and internal control system, in accordance with the guidelines set by the Board of Directors, overseeing the overall adequacy of the system, its functionality, and its adaptation to changes in the operating environment and in the legislative and regulatory frameworks. The Director Responsible also proposes the appointment of a member of staff to head the Internal Audit department or the revocation of such appointment.

The Head of Internal Audit reports his findings to the Chairman and the Director Responsible as well as to the Chairman, the Control, Risk and Corporate Governance Committee and Board of Statutory Auditors.

The Director Responsible implements revisions of the internal control and risk management system, whenever required to remedy any weaknesses found by the above audits.

The Director Responsible has the powers to require the Head of Internal Audit to examine specific operating areas and compliance with internal rules and procedures for company operations. Such internal audits are notified to the Chairmen of the Board of Directors, Control, Risk and Corporate Governance Committee and Board of Statutory Auditors.

The Director Responsible promptly reports any problems and critical issues, found through the Director's activities or notified to the Director, to the Control, Risk and Corporate Governance Committee (or Board of Directors) for the Committee (or the Board of Directors) to take the appropriate action.

On 22 June 2016, the Board of Directors appointed independent Director Giuliano Mari to the role of Director Responsible subject to the consent of the Control, Risk and Corporate Governance Committee, thereby confirming the duties and responsibilities attributed to the latter in the 2013-2015 three-year period.

## - Activities performed in 2016

In 2016 the Director Responsible for the internal control and risk management system performed the activities required by the Corporate Governance Code, which involved several meetings with the Head of Internal Audit, the Group Controlling Director, the Risk Officers of Autostrade per l'Italia and Aeroporti di Roma, with the Chief Executive Officer of Autostrade per l'Italia and Aeroporti di Roma, with ASPI's Post-Audit Committee and with ADR's Post-Audit Committee, to analyse operational risks and to review the risk management activities performed to update the risk catalogue.

In particular, in 2016 the Director Responsible:

- ✓ participated regularly in the meetings of ASPI's Post-Audit Committee and ADR's Post-Audit Committee;
- ✓ in relation to these activities, took specific actions to strengthen the Internal Control and Risk Management System;
- ✓ sent a report to the Group companies on the Group Internal Audit Department, describing the interaction that it had with it in terms of both operations and responsibilities, including decision-making;
- ✓ monitored the advancement of the 2016 Audit Plan, reviewing all the audit reports;
- ✓ supervised the preparation of the 2016 Audit Plan;
- ✓ identified the principal corporate risks, taking into account the characteristics of the activities carried out by Atlantia and its subsidiaries, through several meetings with the Group Controlling Director and ASPI's and ADR's Risk Officers, to determine the criteria to identify, evaluate and manage risks, in view of the upgrading of the risk catalogues for the Group companies;
- ✓ implemented the guidelines of the Internal Control and Risk Management System established by the Board of Directors, by designing, building and managing the internal control and risk management system and checking constantly its adequacy and effectiveness;
- ✓ adapted this system to Company operations and the legal and regulatory framework;
- ✓ advanced the "culture of risk" and, in connection with the dedicated activities, did, among other things, introduce the seminar organised by Atlantia for the Group's management on Legislative Decree 231/2001, on the administrative liability of legal entities, held on 24 November 2016.

In more general terms, the Director Responsible has been gradually taking on the role of key person for the Group's Internal Control and Risk Management System, ensuring that its elements operate in a seamless and consistent fashion.

## II.2 Head of Group Internal Audit

Pursuant to article III.3 of the Corporate Governance Code, the Head of Internal Audit is responsible for verifying that the Group's risk management and internal control system is properly functioning and is fit for purpose. In particular, the Head of internal audit is required to:

- a. audit, on an ongoing and ad hoc basis and in compliance with international standards, the efficiency and adequacy of the risk management and internal control system through the application of an audit plan, duly approved by the Board of Directors, based on a structured analysis and ranking of material risks;
- b. is not responsible for any operational area and reports to the Chairman of the Board;
- c. be provided with direct access to all information required for the performance of his duties;
- d. prepare periodic reports containing suitable information on audit activities, risk management procedures and compliance with risk mitigation plans, in addition to an assessment of the internal control and risk management system;
- e. promptly present reports on events of particular relevance;
- f. distribute the reports pursuant to d) and e) above to the Chairmen of the Board of Statutory Auditors, the Risk Control and Corporate Governance Committee and the Board of Directors, as well as to the Director responsible for the internal control and risk management system;
- g. ascertain, as part of the audit plan, the reliability of information systems including accounting systems.

The Head of internal audit is appointed, at the recommendation of the Director Responsible for the internal control and risk management system in conjunction with the Chairman of the Board of Directors, by the Board of Directors subject to the consent of the Control, Risk and Corporate Governance Committee and in consultation with the Board of Statutory Auditors.

On 11 December 2014, the Board of Directors – at the recommendation of the CEO, established the Internal Audit Department (subsequently called Group Internal Audit Department), effective 1

January 2015, and at the recommendation of the Director in charge of the risk management and internal control system and subject to the consent of the Control, Risk and Corporate Governance Committee, and having consulted with the Board of Statutory Auditors - appointed Ms Concetta Testa as Head of Internal Audit.

Ms Testa's compensation package is consistent with the remuneration policy of the Atlantia Group, in her capacity as an executive of Atlantia.

The Head of Internal Audit, who reports to the Chairman of the Board of Directors, is not responsible for any operating areas. She has direct access to the information required for the performance of her duties, in addition to adequate resources for her work. She regularly reports her findings.

Internal Audit conducts audits Atlantia and its Italian and international direct and indirect subsidiaries.

Internal Audit carries out its audit activities whilst assuring the necessary degree of independence, expertise and professional diligence as established in international professional practice standards and the Code of Ethics.

The audit activities are intended to check:

- ✓ controls over operational risks (business);
- ✓ compliance with rules and regulations, including but not limited to, Legislative Decree 81/08, Legislative Decree 163/06, among others (compliance);
- ✓ that financial reports are compliant with applicable accounting principles and regulations (financial);
- ✓ the reliability of the information systems;
- ✓ that the Company's assets are protected.

The main activities carried out by the Group Internal Audit Department are:

- outlined in an annual plan based on structured analyses and priorities of the principal risks to which Atlantia and its subsidiaries are exposed;
- surprise audits at the request of the persons responsible for the internal control system or senior management;
- monitoring the implementation of measures to remedy audit findings in accordance with the recommendations;

- support of the Ethics Officer with respect to signed, unsigned and confidential reports received in connection with preliminary investigations in support of the assessments by the Company's various control bodies;
- development and revision of internal audit operating methodologies and processes in keeping with policy and best practice.

The conclusions of internal audits are set out in Internal Audit Reports which are simultaneously distributed to the audited units, the Director responsible for the internal control and risk management system and, upon request, to management and supervisory board.

Internal Audit Reports contain descriptions of findings and areas of improvement for internal controls in addition to an appropriate action plan.

The Internal Audit department is also responsible for monitoring, via its follow-up activities, implementation of the corrective actions identified, reporting to the Director responsible for the internal control system, the relevant managers and supervisory bodies.

During the year, the Head of Internal Audit continued to interact with executives and members of corporate bodies. In particular, as required by article 11.4 of Atlantia's Corporate Governance Code, the Head of Group Internal Audit reported on her activities to the Chairman of the Board, the Director Responsible for the internal control and risk management system and to the Control, Risk and Corporate Governance Committee. She met regularly with the Chairman of Atlantia's Board of Statutory Auditors and, upon request, with the Boards of Statutory Auditors of the Group's subsidiaries.

In addition, in accordance with article 12.1 of the Corporate Governance Code, the Head of Internal Audit participated in all the meetings of the Control, Risk and Corporate Governance Committee.

Upon proposal of the Director responsible for the internal control and risk management system – pursuant to the favourable opinion of the Control, Risk and Corporate Governance Committee, and after consultation with the Board of Statutory Auditors – on 22 January 2016, the Board of Directors reviewed and approved the Audit Plan for 2016 which, in relation to his duties and responsibilities, was eventually approved by the Boards of Directors of the direct and indirect subsidiaries, in Italy and abroad.

Lastly, the Head of Group Internal Audit submitted to ASPI's Post-Audit Committee and ADR's Post-Audit Committee reports and any recommended corrective actions, as applicable to their respective roles.

During 2016, the Internal Audit department carried out 108 audit missions (90 audits and 18 inspections), of which 88 were part of the Plan and 24 were undertaken following specific requests (of which 6 audits and 18 inspections). In addition, one internal auditor acted as secretary to support the Ethics Officer in investigating around 43 reports.

In particular, in connection with the 90 audits conducted, 60 were operational audits, where it reviewed also the reliability of the information systems, including the accounting entry systems, of which 2 in relation to Atlantia and 58 in relation to Group companies. In addition, upon request of the Supervisory Boards, monitoring activities were initiated in areas exposed to the perpetration of offences under Law 231 for 15 Group companies and adherence to the Compliance Programme was checked in foreign subsidiaries in Brazil, Chile, Poland and U.S.. Support was given to the Managers responsible for financial reporting of each of Atlantia and Società Autostrade Meridionali.

Lastly, 18 inspections were conducted (of which 3 requested by Atlantia's Supervisory Board, 1 by Atlantia's CEO, 4 by Autostrade per l'Italia's Supervisory Board, 2 by Autostrade per l'Italia's CEO, 4 by ADR's CEO, 3 by the Ethics Officer, 1 by Tangenziale di Napoli's CEO).

Upon proposal of the Director responsible for the internal control and risk management system – with the favourable opinion of the Control, Risk and Corporate Governance Committee and after consultation with the Board of Statutory Auditors – on 20 January 2017, the Board of Directors reviewed and approved the 2017 Audit Plan.

\* \* \* \*

On 16 February 2017, the Head of Internal Audit issued her annual report for the period 1 January - 31 December 2016 to the Control, Risk and Corporate Governance Committee, certifying that in light of:

- the findings of the audit activities carried out on the basis of the 2016 Audit Plan as well as upon specific requests;
- the changes in the governance of the Group's Internal Control System;
- the exchange of information with other control bodies and operators in the internal control and risk management system;

and as far as the department could ascertain within the scope of its duties and responsibilities, the internal control and risk management system is fit to ensure that the Company is managed in a way that is sound, proper and consistent with pre-established objectives.



## II.3 Organisational, Management and Control Model (Legislative Decree 231/2001)

In the first half of 2016, in continuing the activity started in the previous year, the Supervisory Board completed the revision of Organisational, Management and Control Model under Legislative Decree 231/01 and subsequent amendments.

The revision of the 231 Organisational Model was illustrated in advance to the Control, Risk and Corporate Governance Committee on 6 July 2016, and was subsequently approved by Atlantia's Board of Directors in the meeting of 8 July 2016, without any changes to the version proposed by the Supervisory Board.

The model is comprised of:

- a General Part, which synthesises the relevant provisions of Decree 231, describes the structure and purpose of the Model, establishes the composition and role of the Supervisory Board, establishes the criteria and methods for reporting required information to the Supervisory Board and describes the disciplinary system for breaches of the Model's requirements;
- Special Parts developed with respect to the risk of criminal activities which have been identified for Atlantia as the following: Crimes against the Public Administration; Corporate Crimes, including the corruption of private parties and Market Abuse; Manslaughter or serious or very serious injuries, committed by violating rules on accident prevention and the protection of hygiene and health at work; Fencing, laundering and use of money, goods or assets of illegal origin as well as self-money-laundering; Computer crimes, counterfeiting of trademarks or patents, offences against industry and commerce and violation of copyright.

Every Special Part in the Model is structured as follows:

- ✓ Indication of the “types of offences” provided for by Legislative Decree 231/2001, containing:
  - a description of each offence;
  - penalties applicable to the Entity;
  - possible manners of perpetration (non-exhaustive list).

- ✓ Areas at risk, related to corporate activities considered potentially at risk in relation to the offences under Legislative Decree 231/2001, with separate identification of Areas subject to direct risk and instrumental Areas.
- ✓ General principles of conduct in the Areas at risk, which indicate the relevant behaviours in terms of:
  - Adoption, in performing activities at risk, of behaviours inconsistent with the law or the Code of Ethics or the Model;
  - Violation of the procedures and/or internal company rules.
- ✓ General control principles, which represent the control criteria adopted by Atlantia – also in light of the guidance contained in the new Guidelines issued by Confindustria in March 2014 – to ensure virtuous behaviours, consistent with Legislative Decree no. 231/2001.
- ✓ Control protocols related to the Areas subject to direct risk that are relevant for the mitigation of risk 231 (Procedures, Operating Standards, Procedural Instructions, Manuals, internal rules on corporate activities, setting out responsibilities, duties, computer applications and control and monitoring activities, where available).
- ✓ Control protocols related to the instrumental Areas that are relevant for the mitigation of risk 231 (Procedures, Operating Standards, Procedural Instructions, Manuals, internal rules on corporate activities, setting out responsibilities, duties, computer applications and control and monitoring activities, where available).

The Model in its current form is based on the deliberations and analysis carried out by the Supervisory Board and a penal code expert, and derives from an examination of developments in regulations and jurisprudence relating to organisational models (with particular reference to the most recent pronouncements and judgments).

The adoption of the Organizational, Management and Control Model, of which the Code of Ethics is one of the elements, has contributed towards implementation of the Company's internal control system.

Atlantia's current Supervisory Board has been appointed by the Board of Directors on 10 July 2015, for the period 1 July 2015 – 30 June 2018, and consists of two external members, one of whom acting as coordinator, and the Head of Group Internal Audit.

The Board met 10 times in 2016, dealing with the revision of the Model and implementation of the Action Plan for monitoring and assessing the adequacy and effective implementation of the Model.

Atlantia's Supervisory Board reported regularly in 2015 to the Company's Board of Directors and Board of Statutory Auditors on the activities carried out, with regard to both revision of the Organisational, Management and Control Model and monitoring.

In common with Atlantia's Supervisory Board, the supervisory boards of Group Companies have implemented their action plans for monitoring and assessing the adequacy of their Organizational, Management and Control Models. The required operating assessments were conducted by the Group Internal Audit department, and periodical reports concerning supervisory activities during the various reporting periods were drawn up and sent to the respective boards of directors and boards of statutory auditors.

## Ethics Officer and procedure for reporting to the Ethics Officer

Over the years, Atlantia has established within its organisations an Ethics Officer, with the task of:

- ✓ overseeing compliance with the Code, by reviewing news of possible violations and conducting the investigations considered necessary, including with the Group Internal Audit Department;
- ✓ disseminating and verifying knowledge of the Code, undertaking communication programmes and activities aimed at promoting a better understanding of the Code;
- ✓ proposing the issue of guidelines and operating procedures, or changes and improvements in the existing ones, to reduce the risk of breaching the Code;
- ✓ proposing to the Company's Supervisory Board any change to the Code of Ethics.

The Ethics Officer, appointed by Atlantia's Chief Executive Officer, consists of the General Counsel (as Coordinator), the Head of Group Human Resources, the Head of Group Internal Audit, by the Head of Legal and Corporate Affairs of Aeroporti di Roma and by the Head of Legal Affairs of Autostrade per l'Italia.

Reports concerning possible breaches of the Code of Ethics can be sent to:

- ✓ by e-mail to: [ethic\\_officer@atlantia.it](mailto:ethic_officer@atlantia.it);
- ✓ by regular mail to: Atlantia SpA, Ethics Officer, via Antonio Nibby, 20 - 00161 Roma.

Atlantia has adopted a procedure for the process of receipt, analysis and treatment of reports submitted to the Ethics Officer and the manners of conducting the relevant investigation, in accordance with the laws on privacy or other laws in force in the country where the reported events occurred, as applicable to the complainant and the subject of the report. The Ethics Officer guarantees full confidentiality about the reports and the identity of complainants.

All the reports are reviewed by the Ethics Officer to initiate corrective actions, if warranted.

Therefore, in line with article II.6 of the Corporate Governance Code, Atlantia's internal control and risk management system is equipped with suitable whistleblowing systems - where employees and non-employees can report any irregularities or breaches of laws and internal procedures - in line with domestic and international best practices, which guarantee a specific and confidential channel as well as the anonymity of the complainant.

## 11.4 Independent Auditors

In consequence of their engagement on 24 April 2012, Deloitte & Touche SpA are the Independent Auditors engaged to perform the statutory audit of the separate and consolidated financial statements, the periodical assessment of the propriety of bookkeeping and a limited scope audit of the consolidated interim reports of Atlantia SpA for the financial years 2012-2020.

The Board of Statutory Auditors and the Independent Auditors periodically exchange information and data on their respective audits.

The “Procedure for the engagement of statutory audit firms and the monitoring of other assignments to its affiliates” - as revised in 2016 to take into account the changes introduced by Regulation EU no. 537/2014 of the European Parliament and of the Council, as well as by legislative Decree 135/2016 (implementation of directive 2014/56) – sets out the corporate responsibilities and internal operating methods in support of the Board of Statutory Auditors for the engagement of statutory external auditors in accordance with law and regulation as in force from time to time and the management of the relationship with the statutory audit firm and its affiliates.

The procedure relates to senior management and the managements of Group companies who, in the performance of their duties, have direct or indirect contact with independent auditors during their internal audit procedures.

## 11.5 Manager responsible for financial reporting

Pursuant to art. 33 of the Articles of Association, and in compliance with art.154 *bis* of the Consolidated Finance Act, the Board of Directors, subject to obtaining the required opinion of the Board of Statutory Auditors, appoints and dismisses the Manager Responsible for Financial Reporting.

The Manager Responsible for Financial Reporting is selected from candidates with at least three years' experience in positions with appropriate responsibility for administration and finance, or administration and control in listed joint-stock companies, and who possess the integrity required by the regulations in force. The Directors fix the related remuneration and the term of office, which is renewable, and grant the manager all the authority and instruments necessary in order to carry out the duties assigned to them by law.

At its meeting of 22 April 2016, the Board of Directors confirmed the Chief Financial Officer (CFO) Giancarlo Guenzi as the Manager Responsible for Financial Reporting, having obtained the favourable opinion of the Board of Statutory Auditors, establishing his term of office as until the termination of the term of the Board of Directors currently in office.

In 2016 the internal control system was upgraded from an administrative and accounting viewpoint, for the purposes of attestations by the Chief Executive Officer and the Manager Responsible for Financial Reporting of the separate and consolidated annual financial reports concerning, among other aspects, the adequacy and effective application of the administrative and accounting procedures.

## II.6 Coordination of individuals involved in the internal control and risk management system

In accordance with article II.3 of the Corporate Governance Code, approved on 15 December 2016, the Board of Directors, with the favourable opinion of the Control, Risk and Corporate Governance Committee, establishes the manners in which the parties involved in the internal control system are coordinated.

To this end, the Company has developed over the years a comprehensive set of reporting procedures – partly laid down by the Corporate Governance Code (regarding the Chairman of the Board of Directors, the Director responsible for the internal control and risk management system, the Control, Risk and Corporate Governance Committee, the Internal Audit Department) and partly laid down in connection with the scope of responsibilities of the different departments involved in the internal control and risk management system.

In particular:

- The Chairman guarantees that adequate reporting procedures are in place between the Board of Directors and other administrative and corporate functions and, by virtue of the powers vested in him, oversees the functioning of the internal control and risk management system.
- The Director responsible for the internal control and risk management system reports promptly to the Control, Risk and Corporate Governance Committee (or the Board of Directors) on issues and criticalities arisen in performing his activities or that came to his or her knowledge, so that the Committee (or the Board of Directors) might take appropriate steps.
- The Control, Risk and Corporate Governance Committee:
  - receives adequate reports on the different areas of the Internal Control and Risk Management System from the other control bodies and the competent Company departments (Ethics Officer, Supervisory Body, Manager Responsible);
  - reports to the Board of Directors, at least once every six months, when the annual and six-monthly financial reports are approved, on the activities performed and the adequacy of the internal control and risk management system;

- expresses its opinion to the Board of Directors on the corporate governance report, for the description of the characteristics of the internal control and risk management system and the assessment of its adequacy.
- The Group Internal Audit Department:
  - reports to the Control, Risk and Corporate Governance Committee on the audit activities related to the Atlantia Group;
  - reports yearly on the Internal Control and Risk Management System.
- The Group Controlling Department:
  - reports regularly to the Control, Risk and Corporate Governance Committee on risk identification, measurement, management and monitoring;
  - ensures the necessary reporting within the Group to guarantee consistency in the methodological approach and the alignment of execution schedules in respect of the Risk Appetite and the Catalogue of risks of the Company and the Group, directing the activities of the Risk Officers and the Focal Points.
- The Manager Responsible for Financial Reporting is responsible for:
  - planning, managing and monitoring the processes concerning, in particular, administrative and accounting reports, including automated data processing and financial transaction recording systems, also to attest to their adequacy and effective application;
  - giving instructions also to the subsidiaries, so that they adopt all the necessary measures and administrative and accounting procedures, and take any other step or action, that ensure the proper preparation of the consolidated financial statements, as well as any measure that might ensure the utmost reliability of the data and information submitted to the Manager Responsible in relation to the preparation of financial reports;
  - report every six months to the Control, Risk and Corporate Governance Committee and the Board of Statutory Auditors on the monitoring activity under article 154 of the Consolidated Finance Act.
- The Group Compliance and Security Department is responsible for:



- leading and coordinating the competent organisational structures of Atlantia and its Subsidiaries in implementing Compliance programmes, monitoring and assessing their progress;
- setting out, in agreement with the General Counsel, the Guidelines for Atlantia and its Subsidiaries to prepare and implement the procedures called for by the Organisation, Management and Control Models under Legislative Decree 231/OI and the procedures implementing the rules of conduct adopted.

## 12. DIRECTORS' INTERESTS AND RELATED PARTY TRANSACTIONS

Related party transactions shall be subject to the provisions of CONSOB Resolution 17221 of 12 March 2010, as amended and as implemented in Atlantia's Procedure for Related Party Transactions and in other internal procedures.

Further information is also contained in art. 34 of the Articles of Association on related party transactions.

The abovementioned Procedure was adopted by the Board of Directors - with the prior approval of the Independent Directors on the Related Party Transactions Committee, dated 8 November 2010 - on 11 November 2010, pursuant to CONSOB Resolution 17221 of 2010.

The Procedure defines the scope of application of the rules governing related party transactions (transactions of greater and lesser significance and transactions within the purview of the general meeting), the related cases of exclusion, and the procedures for drawing up and updating the list of related parties.

In compliance with the provisions of CONSOB Regulations on related party transactions (Resolution 17221 of 12 March 2010, as amended), on 21 October 2010 Atlantia set up the Committee of Independent Directors with Responsibility for Related Party Transactions, as shown below (hereinafter "RPT Committee").

## 12.1 Committee of Independent Directors with responsibility for Related Party Transactions

Pursuant to CONSOB Resolution 17221 of 12 March 2010, as amended, on 11 November 2010 Atlantia SpA's Board of Directors - with the prior approval of the Independent Directors on the Related Party Transactions Committee, dated 8 November 2010 – approved Atlantia's Procedure for Related Party Transactions (the "Procedure") in conformity with the CONSOB Regulations having regard to related party transactions.

The Procedure was implemented on 1 January 2011.

The Procedure has since then been reviewed every year by the RPT Committee and the Board of Directors with respect to the need to modify or update the Procedure.

The conclusion of the reviews of the Procedure was the Board of Directors' confirmations that the Procedure was fit for purpose given in 2011, 2012, 2013 and 2014 with the consent of the RPT Committee.

Moreover, this Procedure was revised by the Board of Directors on 20 February 2014 with the approval of the RPT Committee. The purpose of the revision was to accommodate the merger of Gemina SpA with and into Atlantia SpA.

In 2015, further revisions and additions were made to reflect the Group's changes, to ensure the proper functioning of communication and reporting lines among the parties involved in the process (meeting of the Board of Directors of 11 December 2015, with the consent of the RPT Committee on the same date).

In 2016 the Procedure was confirmed by the Board of Directors (on 15 December 2016), with the prior approval of the RPT Committee (on 25 November 2016).

The Procedure governs related party transactions entered into by the Company or one of its subsidiaries. It establishes the criteria for classification as a related party transaction and the definition of greater and lesser important transactions. It also indicates the methods of handling such transactions of greater and lesser importance.

The Procedure is available on the Atlantia website [www.atlantia.it](http://www.atlantia.it)

In implementation of the Procedure, Atlantia established a Committee of Independent Directors with responsibility for Related Party Transactions on 21 October 2010 made up of three non-related-party Independent Directors, responsible for:

- a. formulating an opinion on Atlantia's Procedure for Related Party Transactions and related amendments (CONSOB regulation on related party transactions, art. 4.3);
- b. expressing an opinion on any amendments to the Articles of Association (CONSOB regulation on related party transactions, art. 4.3);
- c. performing, during the negotiation and examination of Atlantia's related party transactions of greater significance, the functions provided by art. 8, paragraph 1.b of the CONSOB regulation on related party transactions linked to the involvement of the Committee, or of one or more delegated members;
- d. expressing an opinion on Atlantia's related party transactions of greater significance (art. 8, paragraph 1.c) of the CONSOB regulation on related party transactions);
- e. expressing, before the approval of smaller transactions with Atlantia's related parties, a reasoned opinion on the interest of the Company in the transaction as well as the relative attractiveness and substantial fairness of the relevant terms and conditions, with the option to retain, at the Company's expense, one or more independent experts of its choosing.

On 22 April 2016, the Board of Directors appointed the following individuals to form a new RPT Committee: Bernardo Bertoldi, Lynda Christine Tyler-Cagni and Giuliano Mari, who was appointed Chairman of the Committee at the first meeting on 6 May 2016.

All members are independent Directors in accordance with art. 148, para. 3, CFA and art. 3 of the Corporate Governance Code.

The Committee has adopted its own Rules of functioning, approved at the meeting of 13 December 2010 and then amended on 27 January 2011.

The Committee met five times in 2016.

## - Directors' interests

Regarding the cases where a Director has an interest in a transaction, whether personal or on behalf of third parties, such Director is required, in accordance with article 2391 of the Italian Civil Code, to notify the other Directors and the Board of Statutory Auditors, specifying the nature, terms, origin

and extent of such interest. In the event such Director is the Chief Executive Officer, the Director should refrain from becoming involved in the transaction, delegating all powers to the Board.

The Board did not adopt any further resolution in this area.

## 13. ELECTION OF STATUTORY AUDITORS

As required by Art. 32 of the Articles of Association, members of the Board of Statutory Auditors are elected using slate voting and in compliance with law in force having regard to the balance between gender quotas. Should the application of gender quotas not result in a whole number of Board members belonging to the least represented gender, this number is rounded up to the nearest whole number.

Individuals who hold a number of posts as director or standing auditor equal to or above the maximum established by the applicable regulations, or do not meet the requirements for integrity, expertise and independence required by the applicable regulations, are not eligible. At least two Standing Auditors and one Alternate shall be selected from among individuals listed in the register of auditors, who have been engaged in the statutory audit of accounts for a period of not less than three years. Statutory Auditors not meeting such requirement shall be selected from amongst those persons with at least three years wide-ranging experience in:

- a. the management and control of or executive duties in joint-stock companies having issued capital of at least two million euros; or,
- b. professional activities or university instruction in legal, business and finance subjects; or,
- c. managerial functions at government or public administration entities engaged in lending, finance or insurance. The lists shall indicate the names of one or more candidates, which must not exceed the number of Statutory Auditors to be elected, with each name assigned a sequential number.

Each slate shall consist of two sections: one for candidates for the office of Standing Auditor and one for Alternates. Each section must contain the names of one or more candidates. Slates that, taking into account both sections, contain a number of candidates equal to or higher than three must indicate:

- at least a fifth of the candidates belonging to the least represented gender for the first term of office in application of Law 120 of 12 July 2011;
- at least a third of the candidates belonging to the least represented gender for the following two terms of office.

Where the number of candidates for Alternate Auditor is equal to or higher than two, they must be of two different genders.

Only those Members who, singly or jointly with other Members, at the date on which the lists were filed with the Company, represent at least the percentage shareholding required by the preceding art. 20 for the submission of slates of candidates for the position of Director.

Slates submitted by Members are filed with the registered office at least twenty-five days prior to the date of the General Meeting to be held as a first or one call meeting.

The slates are made available to the public, according to the procedures required by the applicable regulations, at least 21 days prior to the date of the General Meeting to be held in first or one call.

If, at the end of the above term of twenty-five days, only one slate has been submitted, or only slates submitted by Members associated with each other – as defined by the CONSOB pursuant to art. 148, section 2 of Legislative Decree 58/1998 – qualifying persons may continue to submit slates, through filing at the registered office, up to the latest deadline provided for by the laws and regulations in force. In this case, the size of shareholding required to qualify for the right to submit lists is reduced by half. In this case, the size of shareholding required to qualify for the right to submit slates is reduced by half.

No individual shareholder, or shareholders belonging to the same group or shareholders who are party to a shareholder's agreement, may submit or vote for more than one slate, including via a proxy or a trust company, and any candidate included in more than one slate shall be disqualified.

Each slate shall be accompanied by:

- information on the Members who have submitted the slates and their total percentage shareholding, together with certificates attesting to their ownership of the related shares;
- exhaustive information regarding candidates' personal and professional details;
- declarations from the individual candidates accepting their candidature and a personal warranty that there is no fact or deed which could give rise to their disqualification and that they meet the legal requirements for holding such office, including compliance with the limit on the total number of positions held, as established by the laws and regulations in force, and indicating any positions as director or statutory auditor held at other joint-stock companies;
- a declaration from shareholders other than those who singly or jointly hold a controlling or relative majority interest, certifying the absence of any association – as defined by the CONSOB pursuant to art. 148, section 2 of Legislative Decree 58/1998 – with such shareholders.

Any slates not in compliance with the above are deemed to have not been submitted. Any individual having the right to vote may only vote for one slate. Members of the Board of Statutory Auditors shall be elected in the following manner:

- a) three Standing Auditors and one Alternate to be elected shall be taken in sequential order from the slate receiving the majority of votes cast by the holders of shares carrying voting rights, and in compliance with the legislation in force concerning gender quotas;
- b) the remaining two Standing Auditors shall be taken from the other slates. For that purpose, the votes cast for those other lists shall be successively divided by one and two. The resultant quotients shall be allocated to the candidates on each slate who shall then be ranked in decreasing order by the total quotients allocated to them: the candidates elected shall be those with the highest quotients, provided that the required balance between the gender quotas has been complied with. The quotients attributed in this manner to the candidates of the various lists are then be ranked in decreasing order: the two candidates elected are those with the highest quotients subject to the compliance with gender quotas;
- c) if, on completion of the election and the above procedures, legislation concerning the balance between the gender quotas elected has not been complied with, the candidates elected from the various lists are ranked in decreasing order, based on the quotients calculated in accordance with the procedure described in letter b). The candidate from the most represented gender with the lowest quotient in the ranking shall thus be replaced by the first of the candidates from the least represented gender to not be elected and belonging to the same slate. If there are no other candidates in this slate, the above replacement shall be approved by the General Meeting with the majority required by law. If replacement of the candidate from the most represented gender with the lowest quotient in the ranking does not, however, enable the minimum quota required by the legislation in force to be reached, the above replacement process shall also be applied to the candidate from the most represented gender with the penultimate quotient, and so on rising from the lowest ranked candidate. In the event candidates have equal quotients, the General Meeting shall hold a new election and the candidate receiving the majority of votes shall be elected, provided that the legislation in force concerning the balance between gender quotas has been complied with.

The Chairman of the Board of Statutory Auditors shall be the first candidate on the minority slate that obtains the highest number of votes.

The remaining Alternate Auditor shall be drawn from the slate which receives the highest number of votes among the list submitted and voted for by Members who are not



associated with the majority shareholders as defined by law;

- d) any Statutory Auditors not appointed using voting slates, are appointed by General Meeting resolution approved with the majority required by law in compliance with the legislation in force concerning the balance between gender quotas;
- e) in the event that a Statutory Auditor elected by the majority is replaced, the Alternate receiving the majority of votes is appointed. In the event that a Statutory Auditor elected by the minority is replaced, the Alternate elected by minority shareholders shall be appointed, or, failing this, the next ranked candidate from the same list or, failing this, the first candidate on the minority list that obtained the second highest number of votes. Replacement must, in any event, take place in compliance with the legislation in force concerning the balance between gender quotas.

On 15 December 2016 Atlantia's Board of Directors revised article 15.2 of the Corporate Governance Code, providing for the members of the Board of Statutory Auditors to test their independence requirements after the election, and every year thereafter, notifying the outcome of such tests to the Board of Directors. This will, in turn, disclose the outcome to the market and, eventually, in the Corporate Governance Report, in the same manner as that contemplated for Directors.

Article 15.4 was added to Atlantia's Corporate Governance Code, providing that the Statutory Auditors' remuneration should be commensurate with the time required, the relevance of the role and the Company's size and sector characteristics.

## 14. COMPOSITION AND FUNCTIONING OF THE BOARD OF STATUTORY AUDITORS

On 24 April 2015, the General Meeting elected, through the slate voting procedure, the Board of Statutory Auditors for the financial years 2015-2016-2017.

Alberto De Nigro, Lelio Fornabaio and Livia Salvini were elected as standing auditors while Laura Castaldi was elected as alternate auditor on the basis of the slate submitted by Sintonia SpA. The Chairman, Corrado Gatti, standing auditor Silvia Olivotto and alternate auditor Giuseppe Cerati were elected in accordance with the provisions of article 148 of Legislative Decree 58/1998, as amended by Law 262/2005, on the basis of a slate submitted by a group of asset management companies and other institutional investors.

All the Statutory Auditors in office meet the integrity and experience requirements provided for by the applicable laws. The Articles of Association also disqualify persons holding a number of management and supervisory positions equal to or greater than the maximum number, as established by relevant legislation, from being appointed as a Statutory Auditor.

In this regard, art.144-*terdecies* of the CONSOB's Regulations for Issuers (Limits on the accumulation of positions) states that anyone who is a member of the boards of statutory auditors of five issuers is disqualified from becoming a member of an issuer's board of statutory auditors.

A member of an issuer's board of statutory auditors may take up other positions as a director or statutory auditor in the companies defined in Book V, Title V, Chapters V, VI and VII of the Italian Civil Code (the number of positions is shown in Table 3, whilst details of the related positions are available on the CONSOB's website), provided they do not exceed the maximum of six points resulting from application of the calculation model contained in Annex 5-bis, Schedule I. Exempt positions and positions as a director or statutory auditor of small companies are not taken into account in calculating the cumulative positions.

At its meeting of 6 May 2016 the Board of Statutory Auditors – based on the fact that art. 15, paragraph 2 of the Corporate Governance Code in force until 15 December 2016 (the most recent revision of which had been approved by Atlantia's Board of Directors on 11 December 2014) provides that “*Statutory Auditors be chosen from among persons who qualify as independent, including on the basis of the criteria established in this Code with regard to the Directors*”, and that “*the Board of*

*Statutory Auditors shall check compliance with these criteria after election and subsequently annually, reporting on the outcome of the checks in the corporate governance report*” – checked that all the Company’s Statutory Auditors met the independence requirements.

Pursuant to the Corporate Governance Code, any Statutory Auditors who, either themselves or on behalf of third parties, have an interest in a specific Company transaction, must promptly inform the other Statutory Auditors and the Chairman of the Board of Directors as regards the nature, terms and extent of their interest.

Atlantia’s Board of Statutory Auditors met a total of 16 times in 2016 (the percentage of meetings actually attended by members of the board is reported in Table 3).

It should also be pointed out that the Board of Statutory Auditors normally meets with the same frequency as the Board of Directors. At the meeting of 20 January 2017, a total of 14 meetings were scheduled for year ahead.

In carrying out its duties, the Board of Statutory Auditors had periodic meetings during the year with Independent Auditors, the Manager Responsible for Financial Reporting and the Head of Internal Audit.

The Chairman of the Board of Statutory Auditors, or another standing Statutory Auditor at his request, attended the meetings of the Internal Control and Corporate Governance Committee.

The Board of the Statutory Auditors monitored, in accordance with art. 149, paragraph 1.c bis of the CFA, the implementation of the corporate governance rules provided for in Atlantia’s Corporate Governance Code.

Before issuing their reports on the financial statements, the Board of Statutory Auditors and the Independent Auditors exchanged information on the checks carried out.

Partly in the light of the amendments introduced by Legislative Decree 39/2010, in 2010 the Board of Statutory Auditors assumed the role of the Internal Control and Audit Committee, overseeing:

- i) the financial reporting process;
- ii) the effectiveness of internal control, internal audit and risk management systems;
- iii) the legally-required audit of the separate and consolidated financial statements;

iv) the independence of the Independent Auditors, in particular as regards the provision of non-audit services to the entity whose financial statements were being audited.

This requirement has been included in article 15.4 of the Corporate Governance Code.

## 14.1 Procedure for reporting to the Board of Statutory Auditors

The procedure for reporting information to the Board of Statutory Auditors within the meaning of art. 150, paragraph 1, Legislative Decree 58/1998 was revised on 20 December 2013.

The objective of this procedure is, firstly, to ensure that the Board of Statutory Auditors is provided with all the information it needs to perform the supervisory role assigned to it by the above Decree and, secondly, by favouring the transparency of the Company's management, to enable each Director to participate in its management in a more aware and informed manner. This procedure covers the flow of information between the Chief Executive Officer and the Board of Directors recommended by the Corporate Governance Code, and aims to confirm the centrality of the Company's Board of Directors, by ensuring that all members of the Board of Directors and Board of Statutory Auditors have access to the same information, and strengthen the internal control system.

The following information is to be provided under the procedure:

- details of activities carried out;
- material transactions in terms of impact on the Company's results of operations, financial position and cash flows;
- details of the activities through which the Company exercises its management and coordination functions, other than those already reported in connection with the activities carried out;
- atypical or unusual transactions and any other activity or transaction deemed necessary to report to the Board of Statutory Auditors.

Each report reflects activities and transactions performed in the period of time (no more than three months) following the period (also no more than three months in length) covered by the previous report.

For the purposes of the reports, the procedure identifies transactions whose impact might be regarded as material in terms of the Company's results of operations, financial position and cash flows. Specifically, in addition to transactions that fall within the purview of the Board of Directors, pursuant to article 2381 of the Italian Civil Code, the Articles of Association and the Corporate Governance Code, material transactions conducted by Atlantia or by its main direct or indirect subsidiaries include:

- the issue of financial instruments of a total amount in excess of €5 million;

- lending, borrowing or provision of guarantees, as well as investments and divestments, including those relating to properties, involving amounts in excess of €5 million per transaction;
- acquisitions and sales of equity interests, companies or business units, assets and other individual transactions of an amount in excess of €5 million;
- extraordinary corporate transactions (capital increases, mergers, spin-offs, transfers, and/or the spin-out of business units, etc.).

During the year the Board of Directors reported to the Board of Statutory Auditors on a quarterly basis.

The Procedure is available on the Company's website at <http://www.atlantia.it/en/corporate-governance/articles-codes-procedures.html>.

Furthermore, the Statutory Auditors participated in three inductions during the year for the purpose of providing the Boards of Directors and Statutory Auditors with information pertaining to the Company's operations, its corporate dynamics and evolution.

With respect to Legislative Decree 231/2001 and the Group's Code of Ethics, the Procedure for Relations with the Board of Statutory Auditors was revised on 20 December 2013 in order to determine the responsibilities and operational procedures for managing relations with the Board of Statutory Auditors.

This procedure relates to the staff of Atlantia and its subsidiaries who, in the performance of their specific duties, have direct or indirect contact with Statutory Auditors during their internal audit activities.

## 15. INVESTOR RELATIONS

Atlantia's financial reporting is aimed at all its stakeholders.

To this end, the Company has set up a specific Corporate Finance and Investor Relations department, which is responsible for relations with the Italian and international financial community. It is headed by Massimo Sonogo. The department is responsible for providing the market with timely, complete and clear quantitative and qualitative descriptions of the Company's strategies and results of operations, communicating with the market (investors and financial analysts) in all respects through:

- periodic and extraordinary mandatory disclosures in the form of:
  - regular publication of annual and interim financial statements;
  - publication of prospectuses relating to extraordinary transactions affecting the Company;
- mandatory disclosures on material events, made in accordance with Legislative Decree 58 of 24 February 1998 and the CONSOB Regulations for Issuers. In fact, the principles laid down therein, and any subsequent amendments, are adopted in accordance with the Corporate Governance Code for Listed Companies and Borsa Italiana's Guide for Reporting to the market, and in accordance with the instructions in the above-mentioned "Procedure for Market Announcements";
- voluntary information to investors and analysts provided in regular meetings (road shows, conference calls, one-on-one meetings) with institutional investors in the main financial centres, both in Italy and abroad.

In order to facilitate an ongoing dialogue with the financial community and, generally, with all stakeholders a webpage was developed ([developedwww.atlantia.it/en/investors/index.html](http://developedwww.atlantia.it/en/investors/index.html)), with a special section containing important information on the Company of interest to shareholders.

## 16. GENERAL MEETINGS

The Directors encourage and facilitate the highest possible attendance of shareholders at General Meetings, in particular by providing all the necessary information and documents to ensure the smooth running of and informed participation at meetings. The information is made available on a specific page of the Company's website.

The Corporate Governance Code requires General Meetings to be treated as forums to provide shareholders with reports on the Company's operating performance and outlook, in accordance with the regulations governing price sensitive information. In the event of significant changes in the Company's overall capitalisation, in the shareholder structure and in the number of shareholders, the Directors assess the appropriateness of recommending changes to the Memorandum of Association to the General Meeting, as regards the majorities required to pass resolutions and to exercise the prerogatives designed to protect minority shareholders.

The functioning of General Meetings, the related powers, the rights of those entitled to vote and how to exercise the rights are governed by the laws and regulations in force.

In particular, the Company's Articles of Association provide for the following.

To be entitled to attend general meetings and to exercise voting rights, the holders of voting rights are required to send a notice to the Company through their intermediary, in accordance with the laws and regulations in force (article 13). In particular, pursuant to the laws applicable in this area, the right to attend and to vote can be exercised by such persons as are holders of voting rights at the end of the seventh stock exchange trading day preceding the date set for the General Meeting in first call (the "Record Date") for which the intermediary sent the communication required by law. Persons who assume ownership of shares after the record date are not entitled to attend and vote at the General Meeting.

Furthermore, the holders of voting rights may appoint a proxy also by electronic means; the proxy can also be notified through the website or by certified email, in accordance with the procedures indicated in the notice of the General Meeting.

In addition, for each General Meeting the Company designates a person whom shareholders can appoint as a proxy, by the second stock exchange trading day prior to the date set for the General Meeting in first call, with voting instructions on all or some of the items on the agenda. The proxy is



effective only for the matters for which voting instructions have been provided. The General Meeting Regulations, shown at the end of the Articles of Association, provide for the orderly and functional proceedings of Ordinary and Extraordinary General Meetings.

Among other things, the Regulations set out the procedure for qualifying shareholders to request to speak on items on the Agenda.

The full text of the Articles of Association and the General Meeting Regulations are available on the Company's website at <http://www.atlantia.it/en/corporate-governance/articles-codes-procedures.html>.

The Board of Directors endeavours to provide shareholders with adequate information on agenda items, making the related reports available to the public in the manner and in accordance with the timing provided for by law. Furthermore, pursuant to art. 127-ter, Legislative Decree 58/98 shareholders with voting rights may even put questions up to three days before a meeting in first call, which will be answered later in the meeting, using the appropriate webpage of the Company's website and sending the questions by fax or certified post.

#### The Annual General Meeting of 21 April 2016:

- examined and approved Atlantia SpA's separate and consolidated financial statements for the year ended 31 December 2015;
- determined the amount of the dividend;
- authorised, pursuant and for the purposes of articles 2357 et seq. of the Italian Civil Code, article 132 of Legislative Decree 58 of 24 February 1998 and article 144-bis of the CONSOB Regulations adopted with Resolution 11971 as subsequently amended, the purchase of treasury shares, subject to prior revocation of the unused portion of the authority granted by the General Meeting of 24 April 2015 (see information in this report on the authority to purchase treasury shares);
- elected the Board of Directors for 2016-2018;
- approved the first section of the Remuneration Report prepared in compliance with art. 123-ter, Legislative Decree 58 of 24 February 1998;

Eight Directors attended the Annual General Meeting of 21 April 2016.

TABLE I

## Information on the ownership structure of Atlantia

BREAKDOWN OF THE ISSUED CAPITAL AS AT 31 DECEMBER 2016				
	No. of shares	% of issued capital	Listed	Rights and obligations
Ordinary shares	825,783,990	100	Italian Stock Exchange	Rights and obligations of ordinary shareholders

OTHER FINANCIAL INSTRUMENTS (providing a conditional right to subscribe to a new issuance of shares)*				
	Listed/Unlisted	Number issued**	Class of shares to satisfy exercise	Maximum number of shares to satisfy exercise
Contingent Value Rights ("CVRs")	unlisted	163,956,286	Ordinary shares	18,455,815

\*The CVRs provide their holders, on the fulfilment of the conditions of allotment as defined in the Terms and Conditions of Atlantia SpA 2013 Ordinary Share Contingent Value Rights, available for inspection at [http://www.atlantia.it/en/pdf/Contingent\\_Value\\_Rights.pdf](http://www.atlantia.it/en/pdf/Contingent_Value_Rights.pdf), with the right to receive a number of Atlantia ordinary shares determined with reference to the Final Allotment Ratio and a Dividend Adjustment, as set out in the Terms and Conditions.

The following were approved at the Extraordinary General Meeting of 8 August 2013 together with the issuance of shares to satisfy the merger share exchange ratio of up to 164,025,376 CVRs and, at the same time, an increase in issued capital to irrevocably satisfy the CVRs up to a par value of €18,455,815.00, through the issuance of 18,455,815 ordinary Atlantia shares with a par value of €1.00.

\*\* The holders of the CVRs have exercised put options for 160,698,634 CVRs (98% of the outstanding CVRs) as at 31 December 2015, in accordance with the Terms and Conditions; at 31 December 2016, the situation was unchanged.

The CVRs acquired by the Company from such holders are cancelled.

## Significant shareholdings as at 31 December 2016

SIGNIFICANT SHAREHOLDINGS AS AT 31 DECEMBER 2016*			
Reporting entity	Direct shareholder	% of ordinary shares	% of voting shares
Edizione Srl	Sintonia SpA	30.254	30.254
Government of Singapore Investment Corporation Pte Ltd	InvestCo Italian Holdings Srl GIC PTE LTD	8.136	8.136
Fondazione Cassa di Risparmio di Torino	Fondazione Cassa di Risparmio di Torino	5.062	5.062

\* The percentages shown have been derived from the notifications of the shareholders pursuant to article 120 CFA. Accordingly, such percentages might not be in line with the data processed and disclosed by other sources, in the event that the change in equity interest did not entail any notification obligations by the shareholders. Attention is called to art. 119-*bis*, paragraphs 7 and 8 of the Regulations for Issuers, which grants asset management companies and duly authorised entities who have purchased managed investments, represented by interests of above 3% and below 5%, an exemption from the reporting requirements provided for by art. 117 of the Regulations for Issuers.

TABLE 2  
Structure of the Board of Directors and Committees of Atlantia



Table 2: STRUCTURE OF THE BOARD OF DIRECTORS AND COMMITTEES OF ATLANTIA

Board of Directors of Atlantia SpA													Control Risk and Corporate Governance Committee		Human Resources and Remuneration Committee	
Title	Member (Surname and name)	Year of birth	Date first appointed (2)	In office from (3)	In office until (3)	Slate (4)	Executive directors	Non-executive directors	Independent directors as per Corporate Governance Code	Independent Directors as per CFA	No. of other offices (5)	Participation in Board meetings (6)	(6)	(7)	(6)	(7)
Chairman	CERCHIAI Fabio	1944	14 April 2010	21 April 2016	Approval 2018 accounts	M	X				8	14/14				
CEO	CASTELLUCCI Giovannni	1959	12 May 2006	21 April 2016	Approval 2018 accounts	M	X				3	14/14				
Director	CARLA Angela	1938	30 April 2013	21 April 2016	Approval 2018 accounts	M		X	X	X	0	14/14	13/13	M		
Director	BENETTON Gilberto	1941	26 November 2013	21 April 2016	Approval 2018 accounts	M		X			3	13/14				
Director	BERTAZZO Carlo	1965	30 April 2013	21 April 2016	Approval 2018 accounts	M		X			3	14/14			6/6	M
Director	BERTOLDI Bernardo	1973	30 April 2013	21 April 2016	Approval 2018 accounts	m		X	X	X	11	14/14	July/13 From 22 April 2016	M		
Director	CODA Gianni	1946	30 April 2013	21 April 2016	Approval 2018 accounts	m		X	X	X	3	13/14			6/6	M
Director	DE BERNARDI DI VALSERRA Elisabetta	1977	21 April 2016	21 April 2016	Approval 2018 accounts	M		X			0	10/11*			6/6	P
Director	LA PUCCI Massimo	1969	30 April 2013	21 April 2016	Approval 2018 accounts	m		X	X	X	2	13/14			6/6	M
Director	MARCUS Lucy P.	1971	30 April 2013	21 April 2016	Approval 2018 accounts	m		X	X	X	0	13/14	March 2013 until 21 April 2016	M		
Director	MARI Giuliano	1945	23 April 2009	30 April 2013	Approval 2018 accounts	M		X	X	X	1	14/14	13/13	P		

Director	Martinelli Valentina	1976	30 April 2013	21 April 2016	Approval 2018 accounts	M		X			0	14/14				
Director	MION Gianni	1943	21 April 2016	21 April 2016	Approval 2018 accounts	M		X			6	4/11*				
Director	MONDARDINI Monica	1960	20 January 2012	21 April 2016	Approval 2018 accounts	M		X	X	X	6	12/12			1/6	M
Director	TYLER-CAGNI Lynda Christine	1956	21 April 2016	21 April 2016	Approval 2018 accounts	M		X	X	X	0	11/11*			3/3	P
Number of meetings in 2016				Board of Directors: 14				Control, Risk and Corporate Governance Committee: 13				Human Resources and Remuneration Committee: 6				
Quorum required to submit slates for the last appointments (under article 147 CFA): 0.5% as per CONSOB resolution no. 19499 of 28 January 2016																
1) The Remuneration Committee was renamed, in the new Corporate Governance Code approved in December 2014, "Human Resources and Remuneration Committee" and was enlarged in terms of members and scope of duties. The Committee for the appointment of directors is not contemplated in the Corporate Governance Code of Atlantia SpA considering that, pursuant to the Articles of Association, the Board of Directors is appointed on the basis of a transparent procedure (slate voting). More details are available in paragraph 7 of the Corporate Governance report.																
2) A director's date of first appointment is the date on which the director is appointed for the first time ever on the issuer's Board of Directors.																
3) The symbols below in the column "In office since" indicate: • Director responsible for the internal control and risk management system <input type="checkbox"/> Executive responsible for managing the issuer (CEO)																
4) This column indicates the slate that elected the director (M: majority slate; minority slate; Board: slate submitted by the Board of Directors).																
5) This column shows the number of offices as director or statutory auditor held by the party concerned in other companies listed on regulated markets, including foreign markets, in financial, banking, insurance or large companies. Details of the offices held are shown in Annex I of this Report.																
6) This column shows the participation of directors in meetings of the Board of Directors and the Committees (that is the number of meetings in which they participated compared to the number of meetings in which they could have participated, e.g. 6/8, 8/8 etc.)																
7) This columns shows the title of the director within the Committee: "C" Chairman; "M" member.																
* Following the General Meeting of Shareholders of 21 April 2016, where the current Board was elected (including the directors under review), there were 11 Board meetings.																





## ANNEX A

### Summary personal and professional details of Atlantia's Directors as at 31 December 2016

NAME AND SURNAME	POSITION AT ATLANTIA	AGE
Fabio Cerchiai .....	Chairman	72
Giovanni Castellucci .....	Chief Executive Officer	57
Carla Angela.....	Director <sup>(1)</sup>	78
Gilberto Benetton .....	Director	75
Carlo Bertazzo.....	Director	51
Bernardo Bertoldi .....	Director <sup>(1)</sup>	43
Gianni Coda .....	Director <sup>(1)</sup>	70
Elisabetta De Bernardi di Valserra	Director	39
Massimo Lapucci .....	Director <sup>(1)</sup>	47
Lucy P.Marcus .....	Director <sup>(1)</sup>	45
Giuliano Mari .....	Director <sup>(1)</sup>	71
Valentina Martinelli .....	Director*	40
Gianni Mion .....	Director	73
Monica Mondardini.....	Director <sup>(1)</sup>	56
Lynda Christine Tyler Cagni .....	Director	60

<sup>(1)</sup> Directors having declared that they meet the independence requirements.

\* Mr Gianni Mion resigned from office with effect from 31 December 2016

Fabio Cerchiai was appointed Chairman in April 2010. A graduate in Economics, He started his career in 1964 with Assicurazioni Generali. He was Chairman of ANIA (the National Association of Insurance Companies). He has been a director of Edizione Srl since 2005 and Chairman of the Board of Directors of the ARCA Insurance Group since 2008. On 27 March 2009, Mr Cerchiai was appointed, upon proposal of the President of the Council of Ministers, member of CNEL, to represent insurance companies.

Mr. Cerchiai is Chairman of i Autostrade per l'Italia SpA., Edizione Srl (dal 18/01/2017), CERVED Group Information Solutions SpA., Arca Vita SpA, Arca Assicurazioni SpA., SIAT SpA.

He is Deputy Chairman of Unipol SpA and is also a director of Quadrivio Group SpA.

#### Giovanni Castellucci

Giovanni Castellucci has been a director since June 2006. Mr. Castellucci graduated in mechanical engineering from the University of Florence and completed an MBA at SDA Bocconi in Milan. From 1988 to 1999 he worked for the Boston Consulting Group, initially as a consultant, Case Leader and eventually as an executive in Paris until 1991 and then Milan from 1991, where he became a partner responsible for Italian Customer Service and Pharma Practices. In January 2000 he was appointed Chief Executive Officer of the Barilla Group. He joined Atlantia in June 2001 as General Manager. Since April 2005 he has been Chief Executive Officer of Autostrade per l'Italia SpA, maintaining the position of General Manager of Atlantia. He has served as Chief Executive Officer of Atlantia SpA since 2006. He is also a Director of Aeroporti di Roma SpA and member of the Conseil de Surveillance of Aéroport de la Côte d'Azur.

#### Carla Angela

Carla Angela has been a Director since May 2013. Ms. Angela holds a degree in Actuarial Sciences awarded by the La Sapienza University of Rome. She is the Chairwoman of the Italian Institute of Actuaries and was a professor of financial mathematics in the Economics Faculty of the La Sapienza University of Rome and was also the Head of the Mathematics Department for Finance and Insurance, Chairwoman of the Finance and Insurance Degree

Programme and Coordinator of the European PHD in Social Statistical and Economical Studies. She is a member of the International Actuarial Association Council and the Board and Treasurer of the Actuarial Approach for Financial Risk Section. She has also worked in the Actuarial Association of Europe and was recently appointed Honorary Chair. She is a director of S2C SpA.

#### Gilberto Benetton

Gilberto Benetton has been a Director since 2003. He was one of the founders of the Benetton Group in 1965. Mr. Benetton is Chairman of Autogrill SpA, Deputy Chairman of Edizione Srl and a director of Mediobanca SpA.

#### Carlo Bertazzo

Carlo Bertazzo has been a Director since May 2013. Mr. Bertazzo graduated in Business Studies from the Ca'Foscari University of Venice in 1990. He joined Edizione Srl in 1995, where he is now General Manager. He is a director of Olimpias Group Srl and Aeroporti di Roma SpA.

#### Bernardo Bertoldi

Bernardo Bertoldi has been a Director since May 2013. Mr Bertoldi holds a degree in Economics from the University of Turin and currently lectures in the Department of Management at the University of Turin and at the ESCP Europe London e Turin Campus. He is a member of the CIFE – Cambridge Institute for Family Enterprise and collaborates with Il Sole 24 Ore. He is one of the founders of 3H partners, of which he is Chairman. He is a director of Sabelt SpA, of Family Advisory Società di Intermediazione Mobiliare SpA - Sella & Partners and of Vass Technologies Srl. He is standing auditor of Azimut - Benetti SpA, RAI COM SpA, Plastic Components and Modules Holding SpA, Fiat Chrysler Finance SpA, Centro Ricerche Fiat SCpA, CNH Capital Solutions SpA.

### Gianni Coda

Gianni Coda has been a Director since May 2013. Mr. Coda is a graduate in Mechanical Engineering. He joined the Fiat Group in 1979 and is an expert in the automobile business and related procurement and supply. He has held various positions at the Fiat Group during his career. He is a director of Italgas Reti SpA, CLN Group and SABELT.

### Elisabetta De Bernardi di Valserra

Elisabetta De Bernardi di Valserra has been a Director since 2016. A graduate in Electronic Engineering from the University of Pavia, Ms De Bernardi di Valserra began her career in Morgan Stanley, where she served in various positions. In 2013 she joined Space Holding. She has worked at Edizione Srl since 2015, in subsidiary management and investment transactions.

### Massimo Lapucci

Massimo Lapucci has been a Director since May 2013. Mr. Lapucci graduated in economics and business studies from La Sapienza University of Rome in 1995. He is currently serving as the Secretary General of the Fondazione Cassa di Risparmio di Torino. He has served on the Board Director of numerous companies during his career. He is a member of the Italian accountants body and is a registered auditor. Mr. Lapucci is a director of Beni Stabili Gestione SpA – SGR and an executive director of Effeti SpA (until 22 December 2014). He is a director of Banca Generali SpA and is Sole Director of Sofito SpA.

### Lucy P. Marcus

Lucy P. Marcus has been a Director since May 2013. Ms. Marcus graduated in History and Political Science from Wellesley College, Massachusetts, USA in 1993. She is professor of Leadership and Governance at the IE Business School and an associate of the CIBAM Centre for International Business and Management at Cambridge University. She is the founder and Chief Executive of Marcus Venture Consulting Ltd..

### Giuliano Mari

Giuliano Mari has been a Director since April 2009. Mr. Mari graduated in Chemical Engineering from the La Sapienza University of Rome. He was employed at the IMI SpA group from 1969 to 2002, holding, among others, the positions of Chairman and General Manager of IMI Investimenti SpA from 1999 to 2002. He subsequently served as General Manager of Cofiri SpA until 2004. Mr Mari is Chairman of Assietta Private Equity SGR SpA.

### Valentina Martinelli

Valentina Martinelli has been a Director since May 2013. Ms. Martinelli graduated in business studies from the Ca'Foscari University of Venice. She is currently in charge of the preparation of Group consolidated financial statements and corporate affairs at Edizione Srl. She commenced her career at Arthur Andersen SpA and is a registered auditor.

### Gianni Mion

Gianni Mion has been a Director since April 2016. A graduate in Economics from the Ca'Foscari University of Venice, is a chartered accountant and a registered auditor. He joined Edizione Srl in 1986 as Chief Executive Officer and served as Deputy Chairman of the company from June 2012 until 18 January 2017. He is Chairman of Space 2 SpA and Banca Popolare di Vicenza. He serves as a Director of Space Holding and Autogrill SpA.

### Monica Mondardini

Monica Mondardini was appointed a Director in January 2012. She holds a degree in statistics and economics from the University of Bologna. She has worked at the Hachette Group and was a General Manager for Europe Assistance, and Chief Executive of Generali Spain. She is currently the Chief Executive of Gruppo Editoriale L'Espresso. Ms. Mondardini is Chief Executive of C.I.R. SpA. She is also the Chair of Sogefi SpA and Aeroporti di Roma SpA and is a member of the Board Director of Crédit Agricole SA and Trevi Finanziaria Industriale SpA.

### Lynda Christine Tyler-Cagni

Lynda Christine Tyler-Cagni has been a Director since April 2016. She graduated from Kingstone University. In 2005 she founded and is currently CEO of Tyler Cagni Consulting LTD. She has held a variety of positions in Human Resources. She was Chair of the Human Resources Committee at the World Duty Free Group.

## TABLE B

Number of years in position from initial appointment at Atlantia

(commencing with the General Meeting of 26 November 2003)

DIRECTORS IN OFFICE AS AT 31 DECEMBER 2016	YEARS IN OFFICE
Carla Angela *	4

Gilberto Benetton	14
Carlo Bertazzo	4
Bernardo Bertoldi *	4
Giovanni Castellucci	11
Fabio Cerchiai	7
Gianni Coda *	4
Elisabetta De Bernardi Di Valserra	1
Massimo Lapucci *	4
Lucy P. Marcus *	4
Giuliano Mari *	8
Valentina Martinelli	4
Gianni Mion °	1
Monica Mondardini *	5
Lynda Christine Tyler-Cagni *	1

\* Independent Director

° Mr Gianni Mion resigned from office with effect from 31 December 2016.

## ANNEX I

List of other positions held by the Directors in other companies listed on Italian and international regulated markets, and in large financial, banking and insurance companies

DIRECTOR	OTHER POSITIONS
CERCHIAI Fabio	<ul style="list-style-type: none"> <li>➤ Chairman of Autostrade per l'Italia SpA</li> <li>➤ Chairman of Edizione Srl (since 18 January 2017)</li> <li>➤ Chairman of Arca Assicurazioni SpA</li> <li>➤ Chairman of Arca Vita SpA</li> <li>➤ Chairman of Cerved Information Solutions SpA</li> <li>➤ Chairman of SIAT SpA</li> <li>➤ Deputy Chairman of UnipolSai SpA</li> <li>➤ Director of Quadrivio Group SpA</li> </ul>
CASTELLUCCI Giovanni	<ul style="list-style-type: none"> <li>➤ Chief Executive Officer of Autostrade per l'Italia SpA</li> <li>➤ Director of Aeroporti di Roma SpA</li> <li>➤ Member of the Conseil de Surveillance of Aéroports de la Côte d'Azur</li> </ul>
ANGELA Carla	---
BENETTON Gilberto	<ul style="list-style-type: none"> <li>➤ Chairman of Autogrill SpA</li> <li>➤ Deputy Chairman of Edizione Srl (since 18 January 2017)</li> <li>➤ Director of Mediobanca SpA</li> </ul>
BERTAZZO Carlo	<ul style="list-style-type: none"> <li>➤ Director of Aeroporti di Roma SpA</li> <li>➤ Director of Olimpias Group Srl</li> <li>➤ General Manager of Edizione Srl</li> </ul>
BERTOLDI Bernardo	<ul style="list-style-type: none"> <li>➤ Chairman of 3H Partners Srl</li> <li>➤ Director of Family Advisory Società di Intermediazione Mobiliare SpA – Sella &amp; Partners</li> <li>➤ Director of Sabelt SpA</li> <li>➤ Chairman of 3Hi Srl</li> <li>➤ Director of Vass Technologies Srl</li> <li>➤ Chairman of the Board of Statutory Auditors of Iveco – Oto Melara S.C.r.l.</li> <li>➤ Standing Auditor of Azimut - Benetti SpA</li> <li>➤ Standing Auditor of Centro Ricerche Fiat S.C.p.A.</li> <li>➤ Standing Auditor of CNH Industrial Capital Solutions SpA</li> <li>➤ Standing Auditor of FIAT Chrysler Finance SpA</li> <li>➤ Standing Auditor of Plastic Components and Modules Holding SpA</li> <li>➤ Standing Auditor of RAI COM SpA</li> </ul>
CODA Gianni	<ul style="list-style-type: none"> <li>➤ Director of ITALGAS RETI SpA</li> <li>➤ Director of C.I.N Group</li> <li>➤ Director of SABELT</li> </ul>



DE BERNARDI DI VALSERRA Elisabetta	-----
LAPUCCI Massimo	<ul style="list-style-type: none"> <li>➤ Director of Banca Generali SpA</li> <li>➤ Sole Director of Sofito SpA</li> </ul>
MARCUS Lucy P.	---
MARI Giuliano	<ul style="list-style-type: none"> <li>➤ Director of Assietta Private Equity SGR SpA</li> </ul>
MARTINELLI Valentina	---
MION Gianni	<ul style="list-style-type: none"> <li>→ Chairman of Space 2 SpA</li> <li>→ Chairman of Fila SpA</li> <li>→ Chairman of Banca Popolare di Vicenza</li> <li>→ Deputy Chairman of Edizione Srl (until 18 January 2017)</li> <li>→ Director of Space Holding</li> <li>→ Director of Autogrill SpA</li> </ul>
MONDARDINI Monica	<ul style="list-style-type: none"> <li>➤ Chair of Sogefi SpA</li> <li>➤ Chair of Aeroporti di Roma SpA</li> <li>➤ Director of C.I.R. SpA</li> <li>➤ Chief Executive Officer of Gruppo Editoriale L'Espresso SpA</li> <li>➤ Director of Credit Agricole SA</li> <li>➤ Director of Trevi Finanziaria Industriale SpA</li> </ul>
TYLER-CAGNI Lynda Christine	-----

## TABLE 3

### Board of Statutory Auditors

BOARD OF STATUTORY AUDITORS

Position	Member	Year of birth	Date first elected *	In office from	In office until	Slate **	Independent as per CG Code	Attendance at Board of Statutory Auditor meetings ***	Number of other positions held ****
Chairman	Gatti Corrado	1974	24 Apr 2012	24 Apr 2012	24 Apr 2017	m	X	16/16	12
Standing Auditor	De Nigro Alberto	1958	24 Apr 2015	24 Apr 2015	24 Apr 2017	M	X	15/16	12
Standing Auditor	Fornabaio Lelio	1970	24 Apr 2015	24 Apr 2015	24 Apr 2017	M	X	16/16	14
Standing Auditor	Olivotto Silvia	1950	24 Apr 2015	24 Apr 2015	24 Apr 2017	m	X	16/16	15
Standing Auditor	Salvini Livia	1957	24 Apr 2015	24 Apr 2015	24 Apr 2017	M	X	14/16	3
Alternate Auditor	Castaldi Laura	1965	24 Apr 2015	24 Apr 2015	24 Apr 2017	M	X	----	----
Alternate Auditor	Cerati Giuseppe	1962	24 Apr 2015	24 Apr 2015	24 Apr 2017	m	X	----	----

Indicate the quorum required for the submission of slates by minority shareholders for the election of one or more members (as per art. 148 of the CFA): 1%

NOTES

\* The "Date first elected" indicates the date on which each Statutory Auditor was elected for the first time (in absolute terms) as a member of the issuer's board of statutory auditors.

\*\* This column indicates M/m according to whether the member was elected from the majority (M) slate or a minority (m) slate.

\*\*\* This column shows the attendance of Auditors at meetings of the Board of Statutory Auditors (indicate the number of meetings attended with respect to the total number of meetings that could have been attended; e.g. 6/8; 8/8, etc.).

\*\*\*\* This column shows the number of directorships or positions as statutory auditor held by the interested party, pursuant to art. 148-bis of the CFA and the related implementing measures contained in the CONSOB Regulations for Issuers. The full list is published by the CONSOB on its website, pursuant to art. 144-quinquiesdecies of the CONSOB Regulations for Issuers.

