

REPORT OF THE BOARD OF DIRECTORS OF ATLANTIA SPA ON ITEM 2) ON THE AGENDA FOR THE ANNUAL GENERAL MEETING TO BE HELD IN SINGLE CALL ON 29 MAY 2020: “ENGAGEMENT OF THE INDEPENDENT AUDITOR FOR THE FINANCIAL YEARS 2021-2029. RELATED AND RESULTING RESOLUTIONS.”

Dear Shareholders,

The engagement of Deloitte & Touche SpA as the Independent Auditor for the nine-year period 2012-2020, as approved by the Annual General Meeting of 24 April 2012, expires with approval of the financial statements for the year ended 31 December 2019.

In this regard, it should be noted that the contract for the statutory audit of the accounts may not be awarded to the outgoing audit firm, once it has completed, at the end of 2020, the nine-year term provided for in art. 17 of Legislative Decree 39 of 27 January 2010. This legislation establishes that the engagement must have a term of nine years and may not be renewed or the same audit firm reappointed until at least four financial years have passed since termination of the previous engagement.

The Company thus agreed with the Board of Statutory Auditors that, in 2019, it would begin the process of selecting the Group’s Independent Auditor for the nine-year period 2021-2029. This process was initiated in advance, as this will:

- enable the incoming Independent Auditor to meet the requirement for a “cooling-in” period introduced by Regulation (EU) 537/2014 of the European Parliament and Council dated 16 April 2014 in respect of the services indicated in art. 5(e) of the Regulation;
- allow the outgoing auditor to complete the handover to the incoming auditor, most effectively addressing the fact that the latter is, as should be expected, less familiar with the public-interest entity (“PIE”) and ensuring that the incoming auditor’s statutory audit of the accounts of the entity and its group is of the highest quality; and is, in any event
- in line with the approach previously adopted by major PIEs within the European Union.

The Board of Directors is, therefore, submitting the reasoned recommendation on the engagement of the Independent Auditor to conduct the statutory audit of Atlantia SpA’s accounts for the period from 2021 to 2029 and on the related fees, as drawn up by the Board of Statutory Auditors in its role as the “Audit Committee”, for approval by the Annual General Meeting. The recommendation, prepared pursuant to art. 13, paragraph 1, and art. 17, paragraph 1 of Legislative Decree 39 of 27 January 2010, as amended, articles 16 and 18 of Legislative Decree 135 of 17 July 2016 and art. 16 of Regulation (EU) 537/2014 of the European Parliament and Council dated 16 April 2014, is attached to this report.

Given the above, the Board of Directors invites the Annual General Meeting to approve the following resolution:

“The Annual General Meeting of Atlantia SpA’s shareholders, having taken into account the Recommendation drawn up by the Board of Statutory Auditors, in its role as the Audit Committee, regarding the engagement of the

Independent Auditor to conduct the statutory audit of Atlantia SpA's accounts for the financial years from 2021 to 2029, and agreeing with the related reasoning

Resolves

- *to approve the proposal put forward by the Board of Statutory Auditors, in accordance with the terms and conditions set out in the “Recommendation of Atlantia SpA’s Board of Statutory Auditors on the engagement of the Independent Auditor to conduct the statutory audit of the accounts – pursuant to art. 13, paragraph 1, and art. 17, paragraph 1 of Legislative Decree 39 of 27 January 2010, as amended, articles 16 and 18 of Legislative Decree 135 of 17 July 2016 and art. 16 of Regulation (EU) 537/2014 of the European Parliament and Council dated 16 April 2014 - for the period from 2021 to 2029 and to approve the related fees” and, based on the justified preference expressed by the Board of Statutory Auditors, to:*
 - *first and foremost, engage KPMG SpA, as the first ranked audit firm based on the financial and technical criteria used in the selection process and, therefore, deemed to be the most suitable to perform the engagement, for a proposed total fee of €1,040,106, corresponding with 21,042 chargeable hours to perform the statutory audit for the nine-year period 2021-2029;*
 - *and secondarily – should the outcome of the initial vote mean that the above engagement fails to gain approval – to award the engagement to EY SpA, the second ranked audit firm, for a proposed total fee of €900,712, corresponding with 23,095 chargeable hours to perform the statutory audit for the nine-year period 2021-2029;*
- *to grant the Board of Directors all the powers necessary in order to implement this shareholder resolution, including through the delegation of such powers.”*

In keeping with the Board of Statutory Auditors’ proposal, the above fees will be adjusted annually, to the contractually agreed extent, based on the performance of the cost-of-living index and may vary as a result of changes in the scope of the audit firm’s engagement or following exceptional events and/or events that are unforeseeable at the time of executing the contract. This is without prejudice to the Board of Statutory Auditors’ assessment and review of the independence and activities of the Independent Auditor in the Board’s role as the Audit Committee.

Rome, 29 April 2020

Atlantia SpA

for the Board of Directors

The Chairman

Fabio Cerchiai

Recommendation of Atlantia SpA's Board of Statutory Auditors regarding the engagement of the Independent Auditor to conduct the statutory audit of the accounts – prepared pursuant to art. 13, paragraph 1, and art. 17, paragraph 1 of Legislative Decree 39 of 27 January 2010, as amended, articles 16 and 18 of Legislative Decree 135 of 17 July 2016 and art. 16 of Regulation (EU) 537/2014 of the European Parliament and Council dated 16 April 2014 – for the period 2021-2029 and approval of the related fees

1. Introduction

The engagement of Deloitte & Touche SpA (the “Outgoing Audit Firm”) as the Independent Auditor to conduct the statutory audit of the accounts of Atlantia SpA (“Atlantia” or the “Company”) for the nine-year period 2012-2020 expires with approval of the financial statements for the year ended 31 December 2020.

As a result, Atlantia began the process of selecting a new audit firm to conduct the statutory audit for the financial years from 2021 to 2029, in compliance with the legislation in force. This process is described in greater detail below.

The Board of Statutory Auditors, in its role as the “Internal Audit Committee”, has prepared the following recommendation to the Board of Directors (the “Recommendation”) for the purposes provided for in the legislation in force and as required by the Articles of Association.

2. Legislative framework

The legislative framework for the statutory audit of accounts consists of the following legislation:

- EU Directive 2006/43/EC, as amended by Directive 2014/56/EU (the “Directive”), concerning the statutory audit of annual and consolidated accounts, as implemented in Italy by Legislative Decree 39 of 27 January 2010, as amended by Legislative Decree 135 of 17 July 2016 (the “Decree”);
- Regulation (EU) 537/2014 (the “Regulation”), concerning public-interest entities and the audit of public-interest entities, applicable from 17 June 2016;
- Legislative Decree 58 of 24 February 1998;
- CONSOB Regulation 11971 of 14 May 1999, as amended.

In particular, the purpose of the EU legislation is to further harmonise the original rules introduced by Directive 2006/43/EC at EU level. This will allow for greater transparency and predictability of the requirements for persons that carry out statutory audits and enhance their independence and objectivity in the performance of their tasks. This also has the aim of reinforcing the public's confidence in the separate and consolidated financial statements of the above entities.

As a means to enhancing the quality of audits, the Regulation has reinforced the role of the Audit Committee, which, in companies that use a traditional governance system, is carried out by the Board of Statutory Auditors (art. 19 of the Decree). The Regulation assigns this Committee the task of presenting the management body (i.e. the Board of Directors in companies that use a traditional governance system) with a reasoned Recommendation in order to enable the Annual General Meeting of shareholders to take a sufficiently balanced decision.

The Recommendation was drawn up following a specific selection process prepared by the Company and for which the Board of Statutory Auditors was responsible for conducting in accordance with art. 16, paragraph 3 of the Regulation.

In compliance with the provisions of the above art. 16 of the Regulation, given that the engagement relates to the audit of a public-interest entity, such as Atlantia, this Recommendation provides two potential alternatives for the engagement and indicates a duly justified preference for one of the two.

3. Selection process

3.1. Preamble

It should be noted that the engagement may not be awarded to the Outgoing Audit Firm, as it will have completed, at the end of 2020, the nine-year term provided for in art. 17 of the Decree, which, in its amended form, establishes that the engagement must have a term of nine years and may not be renewed or the same audit firm reappointed until at least four financial years have passed since termination of the previous engagement.

In addition, for the purposes of the selection process, the Board of Statutory Auditors availed itself of the support provided by a working group set up by Atlantia, consisting of 5 of the Company's managers (the "Working Group") and the Procurement and Logistics department of Autostrade per l'Italia SpA ("ASPI"), which carries out these activities under a service agreement with Atlantia.

3.2. Invitation to tender

The Company, in agreement with the Board of Statutory Auditors, conducted an assessment with a view to identifying the audit firms to be invited to take part in the selection.

The assessment took into account the requirements introduced by the reform, which are contained in art. 10-*quinquies* of Legislative Decree 39 of 27 January 2010. This article clarifies that: "*In the case of the statutory audit of the consolidated financial statements of a group of undertakings, the group auditor bears full responsibility for the audit report referred to in article 14 or, where applicable, for the audit report referred to in article 10 of the EU Regulation and for the additional report for the Audit Committee referred to in article 11 of the EU Regulation*".

These requirements confirm the approach already adopted in Italian law, under which the group auditor has overall responsibility for its audit opinion on the consolidated financial statements as a whole, even where certain companies belonging to the group are audited separately by other auditors. As a result, for reasons of efficiency and cost, the invitation to tender regarded the engagement of an Independent Auditor for Atlantia and its Italian and overseas subsidiaries (the "Atlantia Group" or "Group").

The following criteria formed the basis for the selection of the audit firm to be invited to tender: (i) the proportion of the total fees declared by potential tenderers in the last year represented by the fees payable to potential tenderers in the countries in which the Atlantia Group's subsidiaries classified as public-sector entities are resident; (ii) the audit firms currently engaged by issuers included in the FTSE-MIB, IBEX-35 and CAC-40 indexes or among Atlantia's peers, as selected by analysts.

Given this, on 20 June 2019, the Company sent EY SpA ("EY"), KPMG SpA ("KPMG") and PricewaterhouseCoopers SpA ("PwC" and, together, the "Tendering Firms") a letter of invitation (the "Letter of Invitation") to tender (the "Tender" and, together, the "Tenders") for a contract to provide the Company with the services described in the Letter of Invitation in the nine-year period 2021-2029.

The engagement to be assigned through the selection process was defined on the basis of Atlantia's specific needs as a listed company. These are:

- statutory services to be provided in accordance with legal and regulatory requirements, and audit procedures to be agreed with Atlantia;
- other recurring services;
- other services that may be requested on an optional basis.

The Letter of Invitation set out the procedure for submitting the Tender solely via the "BRAVO" platform (web address: <https://autostrade.bravosolution.com/web/login.html>) by no later than the date indicated on the Highway to Procurement tender portal (the "Portal"), attaching the following:

- administrative documentation, as required by point 4.1 of the Letter of Invitation;
- the technical offer, as required by point 4.2 of the Letter of Invitation;

- the financial offer, as required by point 4.3 of the Letter of Invitation.

3.3. Components of the Tenders for the purposes of applying the selection criteria

Before beginning the selection process, by identifying the information required in order to submit a Tender, the Company, in agreement with the Board of Statutory Auditors, established clear, predetermined selection criteria using ASPI's "BRAVO" platform. This was done to ensure that the process was transparent and the activities carried out and the decisions taken were fully traceable.

The selection criteria described below are based on both qualitative and quantitative elements and have been established bearing in mind the Group's geographical footprint around the world and the specific nature of the sector in which it operates.

The identified qualitative and quantitative elements were then used to create a rating model, drawn up with the aim of measuring key aspects of the tenders received, by assigning each of them an overall score based on an assessment of the above elements.

Assessment of the identified selection criteria was preceded by an assessment of the thoroughness and formal accuracy of the administrative information requested in the Letter of Invitation.

At the end of this preliminary examination of the Tenders submitted, the assessment took place in three consecutive phases, implemented in the following order:

- 1) checks to identify any inconsistencies in the tenders;
- 2) the technical phase;
- 3) the financial phase.

It was an essential requirement for the Tenders to pass this stage in order to qualify for the next one, based on the procedures and considerations set out below.

3.3.1. Administrative information

This is information needed to assess and confirm that the tenderers meet the necessary requirements for fulfilment of the engagement and identify the existence of potential conflicts of interest with regard to the engagement. This information includes:

- a list of consultancy agreements and contracts to provide professional or other services, terminating after 31 December 2019, between the audit firm and Atlantia Group companies, indicating the absence of any conflict of interest in respect of the statutory audit of the accounts or that might be detrimental to the independence of the auditor pursuant to the applicable European, Italian and/or overseas legislation;
- a statement from the audit firm, giving a commitment, in its own name and in the name and on behalf of its network of affiliates to remove, within the legally required deadline, any potential for conflicts of interest pursuant to art. 149-bis *et seq* of the Regulations for Issuers adopted in CONSOB Regulation 11971 of 14 May 1999 or pursuant to art. 2399 of the Italian Civil Code;
- a statement from the audit firm (including its international network) declaring that, during the period covered by the selection process, it will not accept engagements provided for in art. 5 of the Regulation terminating after 31 December 2020;
- a statement from the audit firm (including its international network), giving a commitment to immediately withdraw from contracts relating to engagements provided for in art. 5 of the Regulation that may give rise to potential conflicts of interest pursuant to art. 5, paragraph 1.1(e) of Regulation (EU) 537/2014, should the Annual General Meeting of Atlantia's shareholders appoint the audit firm to conduct the statutory audit of the Company's accounts for the period 2021-2029;
- a declaration from the audit firm's national and international network, attesting to the fact that they have not carried out activities in the past that could compromise the independence of the audit firm, in respect of financial statement items to be audited or that may be subject to re-audits. This declaration may also be submitted in compliance with the applicable overseas legislation.

In addition, as required by the Letter of Invitation:

- Tenders received after the deadline indicated in the Letter of Invitation and/or not including all the requested documentation may be excluded from the selection process at the sole discretion of Atlantia's Working Group;
- if the documentation containing the administrative information submitted by Tenderers is incomplete, the Company may, via the Portal, invite the Tenderer to supply the missing documents within three working days;
- failure to provide all the requested documentation or its inconsistency with respect to the requirements set out in the Letter of Invitation may result in exclusion from the remainder of the Tender evaluation process.

3.3.2. Checks on any inconsistencies in tenders

Checks on any inconsistencies in tenders were carried on the basis of the number of "hours" (not taking into account the overall price).

Where the minimum number of chargeable hours, calculated on the basis of the actual number of hours worked by the current audit firms and of the hours included in each of the three tenders received, is exceeded (total hours in each tender < minimum number of hours), Atlantia asked the relevant audit firm to justify its tender, evaluating the basis for its exclusion at its sole discretion.

3.3.3. Technical information

All the tenders passed the checks on inconsistency.

Atlantia's Working Group, with the support of ASPI's Procurement and Logistics department and with one or more members of the Board of Statutory Auditors in attendance, thus proceeded to examine each technical offer, evaluating the following elements:

- the presentation of international network, consisting of:
 - a description of the international network of each audit firm in the five key countries (Italy, Spain, France, Brazil and Chile) and overall geographical coverage at global level;
 - details of the organisation and the technical and operational procedures involved in coordination (at the planning stage, during performance of the engagement and the reporting process and when presenting the final results of the audit) of participating overseas affiliates by the audit team working at the Parent Company, Atlantia;
 - the procedures for managing and coordinating, in the event of uncertainty/disagreement, the application of:
 - international/national accounting standards;
 - any issues regarding the audit and internal controls over financial reporting identified by local affiliates;
- the results of EU oversight of Tenderers' affiliates: the Italian, Spanish and French affiliates of each audit firm in the three EU countries hosting public-interest entities included in the mandatory scope of identified by Atlantia have provided a specific form self-certifying the results or conclusions contained in any reports/measures announced by the CONSOB or the corresponding supervisory authorities in the other two countries in the financial years from 1 January 2015 to the date of submission of the tenders;
- methodological and operational approach to the engagement, with regard to:
 - risk assessment: the audit firms were asked to provide a clear, detailed explanation of the procedures used in assessing risk for the purposes of auditing the financial statements, in terms of both structure (methods, applicable tools, reports and/or documentation), and qualitative and/or quantitative criteria, explaining the process used to identify any significant accounts;
 - organisation of the work /use of technology: the audit firms were asked: (i) to

provide a clear, detailed explanation of how they intend to organise their operations and the flow of information in relation to the Atlantia Group's organisational structure and processes, above all with regard to the operational tools used in reviewing and assessing operational and support processes and the related controls; (ii) to indicate the operational tools used in reviewing and assessing business and support processes, providing evidence of the related controls, also indicating the use of any new technologies (robotics, data analytics, continuous auditing, collaboration) used for the audit; (iii) to indicate the percentage for the stable involvement of partners and/or audit managers from the professional practice/technical department of the national affiliate concerned as part of the professional mix of the audit team;

- tools used and the timing/level of autonomy in decision-making: the audit firms were asked: (i) to describe the operational procedures they intend to use in reviewing the state of progress of the audits, including any IT tools used; (ii) to indicate the type of documentation to be made available to Atlantia's management and its oversight bodies regarding the thoroughness and adequacy of audit activities, above all with regard to information flows and the related documentation to be provided to Atlantia's management, control, and/or oversight bodies; (iii) to indicate operational procedures used in terms of timing, with the aim of ensuring timely management of the audit process, explaining the degree of autonomy with respect to other affiliates in terms of coordination, management, supervision and any re-audit of the Atlantia Group following exchanges of information with internal/expert reviewers;
- the professional qualities of the audit team presented: this element of the technical phase includes a review of the references provided with regard to the professional qualities of the teams proposed by the audit firm for Italy and in the corresponding international network assigned to provide the related services to each Atlantia Group company in the key countries (Italy, Spain, France, Brazil and Chile);
- the total number of chargeable hours for the statutory audit of companies within the mandatory scope: an estimate of the hours needed to conduct statutory audit engagements (and all the other effort-based services, as opposed to fixed-price services) by the audit firm's national and international network for each Atlantia Group company, respecting the professional mix requested in the Letter of Invitation.

3.3.4. Financial information

All the Tenderers who passed the checks on inconsistency and the technical phase were admitted to the financial phase.

The hourly rates applicable to effort-based services:

- must also include the cost of the experts providing support for the audit, where the related effort is understood to be already included in the estimate of the related hours;
- must include all one-off internal costs;
- solely exclude out-of-pocket expenses subject to prior authorisation and confirmation and the supervisory contributions, where due;
- are subject to adjustment, following submission of the Tenders and through to 2029, as provided for in the Framework Agreement.

The hourly rates applicable to fixed-price services are understood to include any costs incurred for the support provided by capital market experts in relation to procedures requested in connection with the issue of financial instruments.

Finally, the audit firms were requested to provide estimates of the daily rates charged for the categories of personnel involved in providing optional services relating to mergers & acquisitions (vendor/acquisition due diligence) in countries of interest to the Atlantia Group.

3.3.5. Conduct of the selection

The selection included the following steps.

As previously stated, on 20 June 2019, the Company sent EY, KPMG and PwC the Letter of Invitation to submit a Tender for a contract to provide the Company with the services described in the Letter of Invitation in the nine-year period 2021-2029.

The Letter of Invitation granted the Tenderers the possibility to submit requests for clarification until 4.00pm on 18 July 2019.

Within this deadline, the Company received requests for clarification from the Tenderers with regard to the Letter of Invitation, to which the Company then replied, as before using the above Portal.

On 24 July 2019, i.e. within the deadline indicated on the Portal, the Company received tenders from EY, KPMG and PwC, accompanied by the information and documents requested.

On 29 July 2019, the envelopes containing the administrative information were opened in the presence of the Board of Statutory Auditors.

On 1 August 2019, the envelopes containing the technical offers were opened in the presence of the Board of Statutory Auditors.

On 6 August 2019 and 5 September 2019, requests for clarification from the Tenderers regarding the technical offers, including chargeable hours, were prepared.

On 20 September 2019, meetings attended by the Board of Statutory Auditors, Company departments and the Tenderers took place with a view to obtaining more detailed information and to enable the Tenderers to present their tenders. Following this meeting, requests for further documents were made on 23 September 2019.

Based on the documentation received, and taking into account the evaluation criteria, the Board of Statutory Auditors met with the above Company departments to conduct a detailed collective assessment of the technical offers, based on the results of the in-depth assessments carried out. Details of the technical offers were collectively assessed in respect of each evaluation criterion and the key aspects of each offer.

In conducting the selection:

- the statements provided by the Tenderers and fulfilment of the independence requirement were closely examined and checked;
- information was obtained from the Company on the qualitative and quantitative aspects of contractual relationships with the Tenderers and their respective networks of affiliates, also in order to assess any present or future potential risks to objectivity and independence.

The assessments conducted also took into account supervisory authorities' requirements and/or recommendations in respect of the statutory audit of accounts.

The assessments of the Tenders showed that, among other things:

- (i) the audit procedures described in the Tenders, also in terms of the hours and professional staff used in conducting the audit, were generally adequate in relation to the scale and complexity of the engagement;
- (ii) all the Tenders contained specific, reasoned commitments to provide the proof of independence required by the legislation in force;
- (iii) all the tendering audit firms, albeit in different forms and to differing extents, have the organisations and the technical and professional expertise necessary in relation to the scale and complexity of the engagement pursuant to articles 10-*bis*, 10-*ter*, 10-*quater* and 10-*quinquies* of the Decree and meet the requirements of the Regulation.

Following this process, on 10 October 2019, the technical offers were awarded points in the presence of the Board of Statutory Auditors. This was followed by the opening of the envelopes containing the financial offers.

On 15 October 2019, further information was requested via the Portal regarding the financial offers submitted by the Tenderers in preparation for an accurate evaluation of the offers.

The answers were received by the pre-determined date of 17 October 2019, thus enabling the Working Group to complete its computation of the Agreed Prices, as shown below, and the

scores for each Tenderer.

4. Evaluation criteria

As stated above and set out in the Letter of Invitation, for the purposes of this Recommendation, both qualitative and quantitative aspects were examined.

The maximum possible scores set out in the Letter of Invitation for each evaluation criterion are summarised below.

A. Technical phase: 100 points, broken down as follows:

- (i) network of affiliates: 7 points;
- (ii) the results of EU oversight of Tenderers' affiliates: 3 points;
- (iii) the methodological and operational approach to the engagement: 30 points;
- (iv) the professional qualities of the audit team presented: 40 points;
- (v) the total number of chargeable hours for the statutory audit of companies within the mandatory scope: 20 points.

The score for the technical phase was assigned by the five members of the Working Group when scrutinising and scoring the offers, with the exception of the scores for the macro-categories "The results of EU oversight of Tenderers' affiliates" and "The total number of chargeable hours for the statutory audit of companies within the mandatory scope", calculated applying, to the pertinent information in the respective technical offers, the pre-established formulae set out in the operational-methodological notes agreed with the Board of Statutory Auditors and attached to the Letter of Invitation.

The minimum technical score required to qualify for the financial phase was 80 points.

B. Financial phase: the financial phase takes into account the estimated cost (based on effort or fixed prices) of the statutory, recurring and optional services.

The formula used to determine the Final Score (P) involves weighting the Agreed Price (Pc), as described in greater detail in paragraph 5.2 below, with the quality factor (F = {1-[0,02*(Pt-80)]}):

$$P = Pc * \{1 - [0.02 * (Pt - 80)]\}$$

where:

- Pt is the score assigned during the technical phase, which can be up to a maximum of 100 and a minimum of 80;
- 0.02 is the multiplier expresses the strength of the correction as a result of the quality factor.

The lower the score (P), the higher the ranking.

In terms of the quantitative criteria, the related scores were assigned to each Tenderer on the basis shown in the Letter of Invitation.

The Board of Statutory Auditors adopted the above evaluation procedure, conscious of the important role we play in the process of appointing the Independent Auditor, so as to individually assess and evaluate every single key aspect and, afterwards, also relate and evaluate it within the overall framework. We therefore sought to weigh up all the various factors involved in the evaluation process so as to arrive at final scores accurately reflecting the Company's specific requirements.

5. Evaluation of the Tenders

Having considered all of the above, the Board of Statutory Auditors carried out the evaluation of the Tenders described below.

The documentation received confirmed that all of the Tenderers share the fact that they belong to leading international networks of affiliates, providing high-quality, professional services. Proof of this is provided by the high scores assigned to all three Tenderers.

5.1. Technical evaluation

To begin with, it should be noted that the macro-categories, “The results of EU oversight of Tenderers’ affiliates” (3 points) and “The total number of chargeable hours for the statutory audit of companies within the mandatory scope” (20 points), were not evaluated by members of the Working Group, as the scores were assigned to each Tender by applying, to the pertinent information in the respective technical offers, the pre-established formulae set out in the operational-methodological notes.

The members of the Working Group carried out an independent calculation of the related scores for the above macro-categories for each tenderer, reaching similar conclusions.

A number of considerations on the quantitative macro-categories are included below.

Networks of affiliates (7 points): as part of the evaluation of this area, particular attention was paid to the degree of integration in the model used. Despite certain differences identified by the Working Group, the evaluations reached for the three tenderers were broadly in line.

The methodological and operational approach (30 points): as part of the evaluation of this area, particular attention was paid to the level of standardisation, or personalisation, of the approach used.

The professional qualities of the audit team presented (40 points): in its individual evaluations, the Working Group paid particular attention to the level of knowledge of the relevant sector and the degree of rotation among partners.

5.2. Financial evaluation

In terms of the financial evaluation, attention was paid to determining the related agreed prices for the various categories of service, using the procedure described below.

The Agreed Price (Pc) offered by each audit firm was the sum of the prices quoted for the nine-year period for the companies within the mandatory scope and for the different categories of service requested, weighted by the probability of their occurrence (weightings of 1 for statutory and recurring services, and of 0.15 for optional services, including those connected with mergers & acquisitions). The following formula was used:

$$Pc = \sum \text{statutory services} + \sum \text{recurring services} + (\sum \text{optional services} * 0.15)$$

6. Scores assigned

On 25 October 2019, scores were assigned to the Tenders in the presence of the Board of Statutory Auditors, based on the activities carried out and described above. The three tenderers were then ranked, as shown below:

| | EY | KPMG | PwC |
|--|-------------------|-------------------|-------------------|
| Networks of affiliates | 7 | 7 | 7 |
| Results of EU oversight of Tenderers’ affiliates | 3 | 1 | 0 |
| Methodological and operational approach to the engagement | 26 | 30 | 29 |
| Professional qualities of the audit team presented | 36 | 40 | 39 |
| Total number of chargeable hours for the statutory audit of companies within the mandatory scope | 19 | 20 | 16 |
| Technical score (Pt) | 91 | 98 | 91 |
| <i>Quality correction factor (F) = {1- [0.02*(Pt – 80)]}</i> | <i>0.78</i> | <i>0.64</i> | <i>0.78</i> |
| Statutory services (€) | 24,401,719 | 28,237,950 | 34,026,408 |
| Recurring services (€) | 5,261,437 | 4,685,396 | 5,079,404 |
| Optional services weighted by 0,15 (€) | 3,377,647 | 3,571,123 | 3,907,902 |
| Agreed Price (Pc) | 33,040,803 | 36,494,469 | 43,013,714 |
| Final score (P) = (Pc)*(F) | 25,771,827 | 23,356,460 | 33,550,697 |
| Ranking | 2 | 1 | 3 |

It should be remembered that the lower the score (P), the higher the ranking.

The overall Tender from the winning bidder (KPMG), whilst not being the most competitive from a merely financial viewpoint, will result in the service being more cost-efficient. On a like-for-like basis in terms of the companies and services covered, this can be measured in terms of a saving of approximately 15% compared with the fees paid annually to the current auditor:

| | Total annual hours | Rate (€) | Price (€) |
|---|--------------------|-----------|-------------|
| Current auditor | 70,218 | 51.29 | 3,601,500 |
| KPMG ⁽¹⁾ | 57,546 | 53.00 | 3,049,913 |
| Comparison with the current auditor in % | -18% | 3% | -15% |

The members of the Working Group:

- taking into account the above observations and the comparative analysis of the hourly rates and overall prices proposed by the Tenderers for each country;
- having assessed the cost differences with respect to the current Independent Auditor, guaranteeing cost-efficiencies of 15%, valued on the basis of the introduction of new audit tools and knowledge of the sector in which the Group operates and of the Group specifically;
- having checked that the chargeable hours proposed, both for the Company and globally, are consistent with the proposed methodological and operational approach, taking into account, as noted above, the use of new audit tools and knowledge of the sector in which the Group operates and of the Group specifically;
- having noted the level of the hourly rate for Italy proposed by KPMG, which is already in the lower price band in the most recent tenders observable in the market for other FTSE-MIB issuers,

have agreed unanimously not to proceed with a second round of bidding (potentially provided for in the methodological and operational note governing the competitive procedure) and to thus provide final confirmation of the provisional rankings examined, selecting KPMG as the best Tenderer and EY as the second-best Tenderer.

7. Recommendation of the Board of Statutory Auditors

The Board of Statutory Auditors:

- considering the results of the above procedure, reflecting the outcome of the comparative and overall analysis of the Tenders received, with particular attention to the independence requirement, and the technical and financial aspects;
- taking into account the fact that art. 16, paragraph 2 of the Regulation requires the reasoned Recommendation of the Board of Statutory Auditors to contain at least two potential alternatives for the engagement so as to offer a choice of audit firm; and
- considering that the same art. 16, paragraph 2 of the Regulation requires the Board of Statutory Auditors to express a duly justified preference,

RECOMMENDS

that the Board of Directors propose that the Annual general Meeting of shareholders award the contract to conduct the statutory audit of Atlantia SpA's accounts for the financial years 2021-2029 to KPMG SpA or EY SpA.

The financial terms relating to the above audit firms are shown in annex 1 (financial conditions) to this Recommendation, whilst the contract terms, identical for all the audit firms

⁽¹⁾ To make the hours, rates and total fees charged by the current auditor comparable with those of KPMG, the figures refer solely to the statutory services rendered during 2018 and covered by the bid.

participating in the selection, are those shown in the facsimile of the Framework Agreement attached to the Letter of Invitation.

Finally, of the two

EXPRESSES ITS PREFERENCE

for KPMG SpA, as, following the evaluation of the Tenders, it was the audit firm with the highest ranking and is, therefore, deemed to most suited to undertake the engagement, and most able to meet the Company's identified requirements.

The Letter of Invitation, with the related annexes, and the tender documents received are held on record at the Company and are available to the Board of Directors.

8. Statement

The Board of Statutory Auditors, pursuant to art. 16, paragraph 2 of the Regulation, states that this Recommendation is free from influence by a third party and that no provision of the kind referred to in paragraph 6 has been imposed upon it.

Rome, 8 November 2019

The Board of Statutory Auditors

Corrado Gatti (Chairman)

Alberto De Nigro

Sonia Ferrero

Lelio Fornabaio

Livia Salvini

Annex 1 – Financial terms of the Tenders submitted by KPMG and EY

KPMG SpA

Registered office: Via Vittor Pisani, 25 - 20124 Milan (MI)
 Tax Code and Companies' Register no. 00709600159
 REA no. 512867 (Milan)
 VAT no. 00709600159
 Register of Statutory Auditors no.: 70623

| Chargeable hours, hourly rates and fees for statutory services | Hours in nine-year period 2021-2029 | € per hour | Fees |
|--|-------------------------------------|--------------|-------------------|
| Italian companies | 185,958 | 49.43 | 9,191,904 |
| Overseas companies | 343,107 | 55.51 | 19,046,046 |
| Total Atlantia Group | 529,065 | 53.37 | 28,237,950 |

| Fees for recurring services | Effort-based services (€) | Fixed-price services (€) | Total |
|-----------------------------|---------------------------|--------------------------|------------------|
| Italian companies | 325,200 | 828,000 | 1,153,200 |
| Overseas companies | 1,007,696 | 2,524,500 | 3,532,196 |
| Total Atlantia Group | 1,332,896 | 3,352,500 | 4,685,396 |

| Fees for optional services | Effort-based services (€) | Fixed-price services (€) | Total |
|---|---------------------------|--------------------------|-------------------|
| Services over nine-year period | 2,309,221 | 16,299,450 | 18,608,671 |
| M&A services | 5,058,817 | - | 5,058,817 |
| Optional services for Telepass | - | 140,000 | 140,000 |
| Total Atlantia Group for optional services (€) | 7,368,038 | 16,439,450 | 23,807,488 |
| Total Atlantia Group for optional services with 0.15 weighting (€) | 1,105,206 | 2,465,918 | 3,571,123 |

| Services for Atlantia SpA | KPMG | |
|---|--------------------------|------------------|
| | Effort (hours) 2021-2029 | Fees 2021-2029 |
| Statutory audit of the consolidated financial statements | 8,919 | 440,866 |
| Review of the consolidated half-year report | 4,473 | 221,100 |
| Statutory audit of the separate financial statements ⁽²⁾ | 3,483 | 172,165 |
| Non-financial statement | 4,167 | 205,975 |
| Total Atlantia SpA for statutory services | 21,042 | 1,040,106 |

⁽²⁾ Including checks on the regular keeping of the Company's books and the preparation of tax returns.

EY SpA

Registered office: Via Po, 32 - 00198 Rome
 Tax Code and Companies' Register no. 00434000584
 REA no. 250904 (Rome)
 VAT no. 00891231003
 Register of Statutory Auditors no.: 70945

| Chargeable hours, hourly rates and fees for statutory services | Hours in nine-year period 2021-2029 | € per hour | Fees |
|--|-------------------------------------|--------------|-------------------|
| Italian companies | 203,737 | 39.00 | 7,945,725 |
| Overseas companies | 335,402 | 49.06 | 16,455,994 |
| Total Atlantia Group | 539,139 | 45.26 | 24,401,719 |

| Fees for recurring services | Effort-based services (€) | Fixed-price services (€) | Total |
|-----------------------------|---------------------------|--------------------------|------------------|
| Italian companies | 669,181 | 1,864,410 | 2,533,591 |
| Overseas companies | 859,201 | 1,868,645 | 2,727,846 |
| Total Atlantia Group | 1,528,382 | 3,733,055 | 5,261,437 |

| Fees for optional services | Effort-based services (€) | Fixed-price services (€) | Total |
|---|---------------------------|--------------------------|-------------------|
| Services over nine-year period | 3,643,651 | 7,518,420 | 11,162,071 |
| M&A services | 11,355,574 | - | 11,355,574 |
| Optional services for Telepass | - | 0 | 0 |
| Total Atlantia Group for optional services (€) | 14,999,225 | 7,518,420 | 22,517,645 |
| Total Atlantia Group for optional services with 0.15 weighting (€) | 2,249,884 | 1,127,763 | 3,377,647 |

| Services for Atlantia SpA | EY | |
|---|--------------------------|----------------|
| | Effort (hours) 2021-2029 | Fees 2021-2029 |
| Statutory audit of the consolidated financial statements | 9,789 | 381,771 |
| Review of the consolidated half-year report | 4,911 | 191,537 |
| Statutory audit of the separate financial statements ⁽³⁾ | 3,817 | 148,853 |
| Non-financial statement | 4,578 | 178,551 |
| Total Atlantia SpA for statutory services | 23,095 | 900,712 |

⁽³⁾ Including checks on the regular keeping of the Company's books and the preparation of tax returns.