

**ATLANTIA SPA**

**INFORMATION MEMORANDUM**

*(prepared pursuant to article 84-bis of CONSOB resolution 11971 of 14 May 1999, as amended)*

**CONCERNING  
SHORT AND LONG-TERM INCENTIVE PLANS RESERVED FOR CERTAIN EMPLOYEES  
AND/OR DIRECTORS OF THE ATLANTIA GROUP BASED ON THE AWARD OF PHANTOM  
SHARE OPTIONS  
BEING THE:**

**“SUPPLEMENTARY INCENTIVE PLAN 2017 - PHANTOM SHARE  
OPTIONS”**

## INTRODUCTION

On 14 March 2018, the Board of Directors of Atlantia SpA, with the consent of the Board of Statutory Auditors pursuant to art. 2389 of the Italian Civil Code, voted to submit a number of modifications and amendments to the share-based incentive plan, called the “*Supplementary Incentive Plan 2017 - Phantom Share Options*”, for approval by the Annual General Meeting of Atlantia’s shareholders, to be held at the registered office at Via Antonio Nibby 20, Rome, in single call at 11.00am on 20 April 2018. The modifications to the Plan, which was previously approved by the Ordinary General Meeting of 2 August 2017, have been rendered necessary by the modified structure of the transaction involving the acquisition of Abertis Infraestructuras SA.

In this regard, in addition to the documentation and announcements published on the occasion of the General Meeting of 2 August and the related minutes of that General Meeting, which are available in the Investor Relations – General Meetings section of the Company’s website ([www.atlantia.it](http://www.atlantia.it)), reference should be made to the press release prepared in accordance with art. 84-*bis*, paragraph 3 of the regulation adopted by CONSOB by resolution 11971 of 14 May 1999, as amended (the “**Regulations for Issuers**” or “**RI**”) in implementation of Legislative Decree 58 of 24 February 1998 (the “**CFA**”) and the Directors’ report prepared in accordance with arts. 125-*ter*, paragraph 1 and 114-*bis*, paragraph 1 of the CFA and art. 84-*ter* of the Regulations for Issuers, both available on Atlantia SpA’s website at [www.atlantia.it](http://www.atlantia.it).

This Information Memorandum has been prepared in accordance with art. 84-*bis* of the Regulations for Issuers and is consistent, also in relation to the numbering of the related paragraphs, with Schedule 7 of Annex 3A to the Regulations for Issuers. This Information Memorandum may be revised and/or supplemented, in accordance with art. 84-*bis*, paragraph 5 of the Regulations for Issuers, with information not currently available, during the implementation phase of the “*Supplementary Incentive Plan 2017 - Phantom Share Options*” and, in any case, as soon as available. This Information Memorandum cancels and replaces the previous document published in preparation for the earlier mentioned General Meeting of 2 August 2017.

Information pursuant to art. 84 *bis*, paragraph 5 of the Regulations for Issuers regarding the existing share-based incentive plans, namely the 2011 Share Option Plan (the SOP-2011), the 2011 Share Grant Plan (the SGP), the 2014 Share Option Plan (the SOP-2014), the Phantom Share Option Plan 2017 (PSOP-2017) and the Phantom Share Grant Plan 2017 (PSGP-2017) is available on Atlantia SpA’s website at [www.atlantia.it](http://www.atlantia.it).

It should be noted that, for the purposes of the details contained herein, the “*Supplementary Incentive Plan 2017 - Phantom Share Options*” is of “*particular importance*” within the meaning of art. 114-*bis*, paragraph 3 of the CFA and art. 84-*bis*, paragraph 2 of the Regulations for Issuers.

## DEFINITIONS

For the purposes of this Information Memorandum, the terms listed below shall be defined as follows:

<b>Beneficiaries</b>	The Chairman, Chief Executive Officer and employees of the Company and its Subsidiaries and/or executive directors within Subsidiaries who will be eligible for Options, as selected by the Chief Executive Officer from among a limited number of core people involved in the integration and value creation process at the Group that will be formed following the Transaction.
<b>Board of Directors</b>	The Company's board of directors in office, or its members specifically so delegated.
<b>Bonus</b>	The gross amount in cash paid to each Beneficiary who has legitimately exercised their Options in accordance with the Terms and Conditions, calculated in accordance with paragraph 4.5.
<b>Chairman</b>	The Company's Chairman.
<b>Chief Executive Officer</b>	A member of the Board of Directors, to whom the Board has delegated responsibility for managing the Company's day-to-day affairs and extraordinary transactions, and to whom the Board of Directors' resolution of 12-14 May 2017 has assigned full authority and responsibility for management incentives in relation to the Transaction.
<b>Civil Code</b>	The Italian Civil Code, as approved with Royal Decree 262 of 16 March 1942 – XX, as amended.
<b>Company</b>	Atlantia SpA, having its registered office at Via Antonio Nibby 20, 00161 Rome.
<b>Current Value</b>	The arithmetic mean of the official price of the Company's ordinary shares on each trading day of the screen-based market organised and managed by Borsa Italiana SpA in the month preceding the month in which the SOP-2017 Beneficiary exercises the Options in accordance with the Terms and Conditions, increased by the amount of Dividends Distributed, on the understanding that, in the event of distributions during the period used as the basis for computation of the above arithmetic mean, for the purposes of computation the official price of the Shares on the days prior to the date of payment of the dividend must be reduced by an amount equal to the dividend paid.
<b>Dividends Distributed</b>	Accumulated dividends per share paid to the Company's shareholders during the period between the Transaction Date and the last day of the month prior to the month in which the Beneficiary notified their intention to exercise their Options in accordance with the Terms and Conditions.

<b>Exercisable Options</b>	The Vested Options that the Beneficiary may exercise in accordance with the Terms and Conditions, the number of which is computed in accordance with the Terms and Conditions.
<b>Exercise Period</b>	Generally, the Working Days in the three year period from the first day immediately following the end of the Vesting Period, solely excluding any days included in the Lock-up Period.
<b>Exercise Price</b>	€23.67, determined on the basis of the unit price of the new shares to be issued, as approved by the Extraordinary General Meeting of 2 August 2017, adjusted to reflect the eventual payment of dividends prior to the Transaction Date.
<b>Grant Condition</b>	Closing of the Transaction, on which the grant of the Options is conditional.
<b>Group</b>	The Company and its Subsidiaries.
<b>Lock-up Period</b>	Periods indicated in the Company's "Internal Dealing Code of Conduct" from time to time in effect, during which transactions involving the Company's financial instruments are not permitted, including the exercise of Options.
<b>Maximum Bonus</b>	<p>The maximum value of the overall Bonus payable to each Beneficiary ("MB") as a result of the exercise (in one or more tranches) of the Options, based on the following formula:</p> $\text{MB} = \frac{\text{Options Granted} * (\text{Target Value} - \text{Exercise Price})}{2}$
<b>Notice</b>	The written termination of employment notice (unilateral or mutually agreed decision). In the event that a director is also an employee, the scope of the Terms and Conditions (and in particular paragraph 4.8) only applies to the Notice of the termination of employment.
<b>Options</b>	All the phantom Share options under the Plan, granted at no cost and non-transferable <i>inter vivos</i> . The exercise of the options, in accordance with the Terms and Conditions, may give Beneficiaries the right to receive the Bonus.
<b>Options Granted</b>	The Options Granted to Beneficiaries under the Terms and Conditions.
<b>Plan</b>	The Phantom Share Option Plan reserved for certain Beneficiaries, as referred to in this Information Memorandum as the " <i>Supplementary Incentive Plan 2017 - Phantom Share Options</i> ".
<b>Relationship</b>	Generally, the employment and/or directorship contract between the Beneficiaries and the Company or one of its Subsidiaries. In the event that a director is also an employee, the scope of the Terms and Conditions only

	applies to the employment relationship.
<b>Shares</b>	The Company's ordinary shares.
<b>Subsidiaries</b>	Generally, each company directly or indirectly controlled by the Company from time to time, pursuant to article 2359 of the Italian Civil Code, with which there is a relationship with one or more Beneficiaries.
<b>Target Value</b>	The target in terms of unit Share price, equal to the Exercise Price increased on the basis of an assumed share price performance versus the Exercise Price, equal to a Total Shareholder Return (the total increase in the share price over a set period of time, and the impact of the dividends per share paid in the same period) of 4.75% per year throughout the Vesting Period, as approved by the Board of Directors on 12-14 May 2017.
<b>Termination Date</b>	The date (i) of the receipt of Notice by the addressee (for a unilateral termination regardless of any other indication of a termination of employment date), or (ii) the termination of employment (by mutual consent or decease of the Beneficiary).
<b>Terms and Conditions</b>	The terms and conditions establishing the criteria, methods and timing of implementation of the Plan.
<b>Transaction</b>	The voluntary public tender offer, in cash and shares, for the entire issued capital of Abertis Infraestructuras SA launched by Atlantia on 15 May 2017, as implemented via the joint investment in Abertis Infraestructuras SA in partnership with ACS, Actividades de Construcción y Servicios, SA and Hochtief AG (the " <b>Transaction</b> "), announced to the market on 14 March 2018 and any subsequent changes and/or amendments.
<b>Transaction Date</b>	The closing date for the Transaction, after which Atlantia will be a direct and indirect holder of shares in Abertis Infraestructuras SA, within the terms of the Transaction.
<b>Vested Options</b>	Options Granted that may be exercised under the Terms and Conditions.
<b>Vesting Period</b>	The required period for the vesting of Options Granted, which will end on completion of the third year following the Transaction Date. From the day following the end of the Vesting Period, Vested Options will in all respects have been acquired by the Beneficiary.
<b>Working Day</b>	Each calendar day except Saturdays, Sundays and other days on which banks are not, as a rule, open in Milan to carry out their regular activities.

## **1. BENEFICIARIES**

The Plan is reserved for the Chairman and its Chief Executive Officer, in addition to employees of the Company and its Subsidiaries and/or executive directors within Subsidiaries, the latter to be selected by the Chief Executive Officer from a limited number of core people involved in the Transaction, with reference to their degree of seniority and the level of responsibility assigned with regard to the planned integration of the Group that will be formed as a result of the Transaction.

### **1.1 Names of such beneficiaries as are members of the board of directors or the management board of the issuer of financial instruments, of the issuer's parent companies and the companies directly or indirectly controlled by the issuer.**

The Terms and Conditions identify the Chairman and the Chief Executive Officer as Plan Beneficiaries and do not name other members of the Board of Directors or of the management board of the Company, its parents and/or companies directly or indirectly controlled by the Company.

Other Beneficiaries will be selected by the Chief Executive Officer from among a limited number of core people involved in the integration and value creation process at the Group that will be formed as a result of the Transaction.

The names of Plan Beneficiaries and other information required by paragraph 1 of Schedule 7 of Annex 3A of the Regulations for Issuers will be provided when the Options are granted, in accordance with art. 84-*bis*, paragraph 5, sub-paragraph a) of the Regulations for Issuers.

### **1.2 Categories of employee and other members of staff of the issuer, its parents or subsidiaries.**

The Terms and Conditions do not refer to specific categories of employee or staff member of the issuer selected as Plan Beneficiaries.

The procedures for selecting Plan Beneficiaries are described in paragraph 1.1 above.

The names of the other Plan Beneficiaries, in addition to the Chairman and the Chief Executive Officer, and other information required by paragraph 1 of Schedule 7 of Annex 3A of the Regulations for Issuers will be provided when the Options are granted, in accordance with art. 84-*bis*, paragraph 5, sub-paragraph a) of the Regulations for Issuers.

### **1.3 Names of such beneficiaries as belong to the groups indicated under paragraph 1.3, sub-paragraphs a), b) and c) of Annex 3A, Schedule 7 of the Regulations for Issuers.**

The Terms and Conditions identify the Chairman and the Chief Executive Officer as Plan Beneficiaries and do not name other Plan Beneficiaries belonging to the groups indicated in paragraph 1.3, sub-paragraphs a), b) and c) of Annex 3A, Schedule 7 of the Regulations for Issuers.

The procedures for selecting Plan Beneficiaries are described in paragraph 1.1 above.

The names of the Beneficiaries belonging to the groups indicated in paragraph 1.3, sub-paragraphs a), b) and c) of Annex 3A, Schedule 7 of the Regulations for Issuers will be provided when the Options are granted, in accordance with art. 84-*bis*, paragraph 5, sub-paragraph a) of the Regulations for Issuers.

**1.4 Description and number of beneficiaries, by category, indicated under paragraph 1.4, sub-paragraphs a), b), c) and d) of Annex 3A, Schedule 7 of the Regulations for Issuers.**

The Terms and Conditions do not describe and/or indicate the number of Plan Beneficiaries belonging to the categories indicated in paragraph 1.4, sub-paragraphs a), b), c) and d) of Annex 3A, Schedule 7 of the Regulations for Issuers.

The procedures for selecting Plan Beneficiaries are described in paragraph 1.1 above.

Descriptions and the number of Plan Beneficiaries belonging to the categories indicated in paragraph 1.4, sub-paragraphs a), b), c) and d) of Annex 3A, Schedule 7 of the Regulations for Issuers, will be provided when the Options are granted, in accordance with art. 84-*bis*, paragraph 5, sub-paragraph a) of the Regulations for Issuers.

**2. REASONS FOR ADOPTION OF THE PLAN**

**2.1 Objectives of the plan.**

The Plan's medium- and long-term objectives are to incentivise and foster the loyalty of a limited number of directors and employees of the Group involved in the integration and value creation process at the Group that will be formed as a result of the Transaction.

In particular, the Plan is one of the ways in which the Company intends to involve persons playing a key role in the process of achieving the Transaction's objectives, strengthening their loyalty, aligning their interests with those of shareholders and fostering a culture of value creation.

In view and for the purposes of achieving these objectives, the Plan will have a total duration of up to 6 years from the Transaction Date, including 3 years corresponding with the Vesting Period and 3 years corresponding with the Exercise Period.

As to the criteria used to determine such time horizon, the length of the Exercise Period is consistent with the period of time needed in order to assess the impact of the Transaction and the effectiveness of the integration process, and suitable to achievement of the long- to medium-term incentive and loyalty objectives pursued through the Plan.

**2.2 Key variables, including performance indicators, considered for grants under the share-based plan.**

The Terms and Conditions require that Options be granted to Beneficiaries at no cost and without being subject to the achievement of specific performance targets. The Options Granted will vest when the conditions provided for in paragraph 4.5 below have been met.

**2.3 Factors determining the amount of the share-based payments, or the criteria for such determination.**

The number of Options Granted to the Chairman and the Chief Executive Officer will be determined by the Board of Directors.

The number of Options Granted to each Beneficiary will be determined by the Chief Executive Officer, with reference to their degree of seniority and the level of responsibility assigned with regard to the planned integration of the Group that will be formed as a result of the Transaction.

**2.4 Reasons for the adoption of compensation plans based on financial instruments not issued by the issuer, such as financial instruments issued by subsidiaries, parent companies or companies that do not belong to the Group. If such instruments are not traded in regulated exchanges, information on the criteria used to determine their value.**

Not applicable.

**2.5 Considerations related to significant tax and accounting implications affecting definition of the plan.**

There were no significant tax and accounting implications affecting definition of the Plan.

**2.6 Support for the plan, if any, from the Special Fund to encourage workers to acquire participating interests in companies, under article 4, paragraph 112, of Law 350 of 24 December 2003.**

The Plan receives no support from the Special Fund to encourage workers to acquire participating interests in companies, under article 4, paragraph 112, of Law 350 of 24 December 2003.

**3. APPROVAL PROCEDURE AND TIMING OF GRANTS**

**3.1 Scope of the powers and functions delegated by the shareholders to the Board of Directors to implement the plan.**

At the meeting of 12-14 May 2017, the Board of Directors approved the proposed incentive plans and voted to grant the Chief Executive Officer the broadest powers necessary to define the incentive plans relating to the integration and the reward of managers. At the meeting of 3 July 2017, the Board of Directors also voted to propose a resolution approving the Plan, adopted at the General Meeting held on 2



August 2017, available in the Investor Relations – General Meetings section of the Company’s website ([www.atlantia.it](http://www.atlantia.it)).

Recently, at a meeting held on 14 March 2018, as a result of the above events, the Board of Directors voted to propose, among other things, the following resolution, amending and modifying the earlier resolution, for approval by the Annual General Meeting:

*“The Annual General Meeting of Atlantia SpA’s shareholders,*

- with reference to the content of the resolution approved in this regard by the Ordinary General Meeting of 2 August 2017;*
- based on the Board of Directors’ Report and the relevant annex (including the Information Memorandum prepared pursuant to art. 114-bis of the CFA and art. 84-bis of the RI);*
- having noted the consent of the Board of Statutory Auditors pursuant to art. 2389 of the Italian Civil Code, and having regard to art. 114-bis of the CFA and the applicable regulations;*
- having noted the need to made certain limited modifications to the Supplementary Phantom SOP-2017 as a result of the changed structure of the Transaction;*
- acknowledging the resulting proposal to reduce the maximum number of Options from 7,500,000 to 5,000,000;*

### ***RESOLVES***

- 1. to confirm the approval, for the intents and purposes of art. 114-bis of the CFA, of the Supplementary Phantom SOP-2017, as amended and modified on the basis of the guidelines and the proposals described in the Board of Directors’ Report and the annexed Information Memorandum, authorising the Chief Executive Officer to finalise the terms and conditions cited in the text in compliance with the above documents;*
- 2. to confirm that the Board of Directors and, on its behalf, the Chairman and the Chief Executive Officer, with express authority to sub-delegate, have been granted the broadest powers necessary or appropriate to proceed with full implementation of the Supplementary Phantom SOP-2017, as modified and amended and to provide for disclosure to the market of all the required details, preparation and/or finalization of any document which might be necessary or appropriate in relation to the resolutions, pursuant to the applicable legislative and regulatory provisions, and, in general, to implement these resolutions”.*

## **3.2 Plan administrators, their function and duties.**

The Plan is to be administered by the Chief Executive Officer, who will rely on

internal company departments for aspects compatible with their expertise.

The Plan requires the Chief Executive Officer to be vested with all the powers to implement the Plan, including, for example:

- the power to select Beneficiaries;
- the power to verify compliance with the conditions for the grant and exercise of the Options.

The Plan also gives the Board of Directors the power to amend and adapt the Plan as indicated below.

### **3.3 Any existing procedure to revise the plan, also in relation to any change in the basic objectives.**

In the event of extraordinary transactions involving the Company's issued capital not expressly provided for in the Terms and Conditions (such as, by way of example but not limited to, mergers, demergers, capital reductions due to losses by the cancellation of shares, reductions of the par value of the shares due to losses, bonus issues, rights issues or private placements undertaken by the Company, including those in connection with contributions in kind, share consolidations or splits, or legislative or regulatory amendments or any other event that might affect the Options, the Shares or the Plan), the Board of Directors will introduce into the Terms and Conditions, independently and without the need for further approval by a general meeting of the Company's shareholders, all such amendments and additions as deemed necessary or appropriate to ensure, within the limits allowed by the laws from time to time applicable, that the substantive and financial aspects of the Plan remain unchanged.

In the event of a public tender offer, in cash or shares, for the Company's shares, Beneficiaries will retain their right to exercise the Exercisable Options. It is hereby understood that the Board of Directors will have the option of granting Beneficiaries the right to opt for early exercise of (all or a part) of any as yet unexercised Options granted (even though not yet eligible for exercise).

In particular, the Board of Directors may modify, by increasing or reducing, among other things, by way of example and not limited to, the definition and/or the maximum number and/or the nature of the Options and/or Shares, and the vesting and exercise conditions applicable to the Options.

In the event that the Company's shares are delisted, Beneficiaries will have the right to opt for early exercise of all the Options Granted (even though not yet eligible for exercise). For this purpose, the Company will send Beneficiaries a form stating the procedure for exercising the Options and the related Exercise Period. The latter must have a duration of not less than 10 Working Days from the date on which Beneficiaries are sent the form, with the final deadline for exercise of the Options falling prior to the effective date of the Company's delisting, it being understood that, unless otherwise indicated by the Board of Directors, failure in full or in part by Beneficiaries to exercise the Options Granted, within this exercise period (and, in any event, in accordance with the Terms and Conditions), will result in Beneficiaries' forfeiture of the right to subsequently exercise any unexercised Options Granted.

**3.4 Description of the procedures to determine the availability and allocation of the financial instruments on which the plan is based (for example: bonus issues, rights issues with the exclusion of pre-emption rights, the purchase and sale of own shares).**

Implementation of the Plan will entail the grant to Beneficiaries of Options, the exercise of which, in accordance with the Terms and Conditions, will give the Beneficiary the right to payment of the Bonus.

**3.5 Role of each director in determining the characteristics of the plan; any conflict of interests for the directors concerned.**

Plan Beneficiaries include certain Company directors. The related Board resolutions, including the grant of the Options, will be adopted in accordance with article 2391 of the Italian Civil Code and, where applicable, article 2389 of the Italian Civil Code.

**3.6 For the purposes of article 84-*bis*, paragraph 1, the date of the resolution of the body responsible for submitting the plan to the shareholders for approval and the proposal of the remuneration committee, if any.**

Given the extraordinary nature of the Plan, the Board of Directors has assumed responsibility for deciding on adoption of the Plan, on 12-14 May approving the proposed incentive plan for managers and vesting the Chief Executive Officer with the broadest powers in relation to the incentive plans relating to the Transaction.

The Board of Directors approved submission of the Plan for approval by ordinary general meeting by resolution dated 3 July 2017.

Finally, the Board of Directors approved a proposal for limited modifications to the Plan, to be submitted for approval by the Annual General Meeting of 20 April 2018, to reflect the modified structure of the transaction involving the acquisition of Abertis Infraestructuras SA.

**3.7 For the purposes of article 84-*bis*, paragraph 5, sub-paragraph a), the date of the resolution adopted by the body responsible for the grant of the options and the proposal of the remuneration committee, if any, to such body.**

The earlier General Meeting of 2 August 2017 approved the Plan. The Directors' Report and the General Meeting minutes are available in the Investor Relations – General Meetings section of the Company's website ([www.atlantia.it](http://www.atlantia.it)).

The General Meeting called to approve the modifications and amendments to the Plan is scheduled for 20 April 2018 in single call. Following the General Meeting, if the modifications to the Plan are approved by the Meeting, the decisions necessary in order to implement the Plan will be taken in conformity with the related Terms and Conditions.

The information required by article 84-*bis*, paragraph 5, sub-paragraph a) of the Regulations for Issuers, which is not yet available, shall be provided in accordance

with the legislation in force.

**3.8 Market price, as of the above-mentioned dates, of the financial instruments on which the plan is based, if traded in regulated markets.**

The reference price for the Shares on which the Plan is based is €23.67, determined on the basis of the unit price of the new shares to be issued, as approved by the Extraordinary General Meeting of 2 August 2017, adjusted to reflect the eventual payment of dividends prior to the Transaction Date.

**3.9 In the event of a plan based on financial instruments traded on regulated markets, the timing and manner in which an issuer, in determining the timing of grants in implementation of the plan, takes into account the simultaneous occurrence of (i) the actual allocation and/or resolutions passed by the Remuneration Committee in that regard; and, (ii) the disclosure of privileged information as defined by current legislation, for instance in the event such information is: (a) not already in the public domain and is likely to have a beneficial effect on the market price of the instruments, or (b) already in the public domain and likely to have a detrimental effect on the market price of the instruments.**

The decision to propose limited modifications to the Plan to the Annual General Meeting was approved by the Board of Directors at its meeting of 14 March 2018. The Annual General Meeting has been called to vote on the modifications to the Plan, based on this proposal.

Decisions regarding the timing of the grant of the Options to employees of the Company and of its Subsidiaries and/or the executive directors of Subsidiaries will be taken by the Chief Executive Officer.

In this regard, the Company does not believe it necessary to make arrangements for those matters pursuant to paragraph 3.9 of the Schedule 7 of Annex 3A to the Regulations for Issuers. The dissemination of privileged information on the date of the award of Options will, in fact, be of no general advantage to Beneficiaries since they will not be permitted to exercise the Options.

It should be noted that the Exercise Price for the Options (see paragraph 4.19 below) will be €23.67, determined on the basis of the unit price of the new shares to be issued, as approved by the Extraordinary General Meeting of 2 August 2017, adjusted to reflect the eventual payment of dividends prior to the Transaction Date.

Additionally, Options may not be exercised during any Lock-up Period during the Plan's validity so as to avoid the exercise by Beneficiaries of Options during periods which could be critical for the Company.

**4. CHARACTERISTICS OF THE FINANCIAL INSTRUMENTS GRANTED**

**4.1 Description of the manner in which the compensation plan is structured based on the financial instruments, for example, indicating whether the plan is based on the grant of: shares (so-called restricted Share awards); the increase in value of these shares (so-called phantom Shares); rights of options that allow the shares described below to be purchased (so-called**

option grants) paid upon the physical delivery thereof (so-called Share options) or in cash based on a differential (so-called Share appreciation rights).

The Plan entails the grant to Beneficiaries at no cost of Options, the exercise of which, in accordance with the Terms and Conditions, will give the Beneficiary the right to payment of the Bonus.

The Options will be granted to Beneficiaries personally and may not be transferred *inter vivos* and may not be subject to restrictions or be part of any disposition for any reason.

**4.2 Indication of the period in which the plan is expected to be actually implemented with reference also to any other cycle foreseen.**

The Options will be granted to Beneficiaries once the Grant Condition has been met during a single cycle following settlement of the Transaction. Beneficiaries may be selected on different dates, provided that this occurs within 3 months of the Transaction Date.

**4.3 Termination of the plan.**

The Plan will terminate after 6 years from the Transaction Date.

The investment and minimum holding requirements provided for in paragraph 4.6 will remain in effect.

**4.4 Maximum number of financial instruments, including options, granted in each financial year to individuals indicated by name or the indicated categories.**

A maximum of 5,000,000 Options may be granted.

The number of Options Granted to the Chairman and the Chief Executive Officer will be determined by the Board of Directors.

The number of Options Granted to each of the other Beneficiaries will be determined by the Chief Executive Officer, with reference to their degree of seniority and the level of responsibility assigned with regard to the planned integration of the Group that will be formed as a result of the Transaction.

**4.5 Terms and conditions for implementation of the plan, specifying whether implementation of the plan is subject to the fulfilment of certain conditions or results, including performance; description of such conditions and results.**

At the time of the grant of Options, the Company will send Beneficiaries a copy of the Terms and Conditions, accompanied by a form showing, among other things, the number of Options granted, the related Exercise Price and Target Value, the Vesting Period, in addition to any instructions relating to participation in the Plan.

Beneficiaries may participate in the Plan by sending the Company a copy of the Terms and Conditions and the form, signed on each page, within 10 days of receipt thereof. On receipt of the documentation duly signed, the Company will send proof

of receipt and notice of confirmation, following which the Options will be deemed to have been granted. Beneficiaries must then send the Company the original signed documents within 30 days of the original communication. Failure to do so will result in forfeiture of the right to participate in the Plan.

The Options Granted will vest at the end of the Vesting Period.

Vested Options may be exercised at the end of the Vesting Period, thus becoming exercisable options, under the terms and to the extent indicated below:

- (a) during the first year of the Exercise Period, Beneficiaries may exercise a maximum number of Exercisable Options equal to 50% of the Vested Options, subject to the minimum quantities provided for in the Terms and Conditions and without prejudice to sub-section (c) below;
- (b) from the second year of the Exercise Period, Beneficiaries may exercise all of the Exercisable Options, subject to the minimum quantities provided for in the Terms and Conditions and without prejudice to subsection (d) below.

It remains, however, understood that:

- (c) the total Bonus payable in the first year of the Exercise Period may, under no circumstances, exceed 50% of the Maximum Bonus. If, therefore, during the first year of the Exercise Period, the Beneficiary intends to exercise a total number of Exercisable Options that entails exceeding 50% of the Maximum Bonus, the number must be reduced to the extent that it falls within the above threshold (without prejudice to the fact that the unexercised Options can be exercised at a later date);
- (d) the total Bonus payable over the entire Exercise Period may, under no circumstances, exceed the Maximum Bonus. If, therefore, during the Exercise Period, the Beneficiary intends to exercise a total number of Exercisable Options that entails exceeding the Maximum Bonus, the number must be reduced to the extent that it falls within the above threshold (without prejudice to the fact that the Options in excess may no longer be exercised).

Beneficiaries may exercise Exercisable Options, unless the Board of Directors approves different and more favourable terms, on one or more occasions, but subject to a minimum quantity equal to whichever is the lower of: (i) 20% of the Vested Options, or (ii) all remaining Exercisable Options.

Following the exercise of Vested Options, Beneficiaries will be entitled, under the Plan Terms and Conditions, to receive payment of the Bonus, to be calculated according to the following formula:

$$\text{Bonus} = \text{Options exercised} * (\text{Current Value} - \text{Exercise Price})$$

#### **4.6 Indication of any restrictions on options granted or shares obtained with the exercise of such options, with specific reference to the period during which**

**any transfer to the company or third parties is allowed or prohibited.**

The Options will be granted to Beneficiaries personally and may not be transferred *inter vivos* and may not be subject to restrictions or be part of any disposition for any reason.

Beneficiaries who, at the date on which notification to proceed with Exercise is sent by the Company, are classified as “*executive directors*” and/or “*key management personnel*” for the intents and purposes of the Corporate Governance Code for Listed Companies, as selected by the Board of Directors, will be required to purchase, in the screen-based market organised and managed by Borsa Italian SpA, a number of Shares corresponding – after rounding down – to a total investment amounting to:

- in the case of Beneficiaries qualifying as “*key management personnel*”, 40% of the Bonus paid to them, net of any withholding tax required by law;
- in the case of Beneficiaries qualifying as “*executive directors*”, the lower of (i) 40% of the Bonus paid to them, net of any withholding tax required by law; and (ii) an amount (“*M*”) (if positive) calculated in application of the following formula:

$$M = (3 * RAL) - VAP$$

where:

- “RAL” is the Beneficiary’s fixed gross annual salary as of 1 January immediately preceding the exercise date for the related Options, which is to be construed as the sum of the gross annual fixed salary earned as an employee and the fixed remuneration due for the office of director held by the Beneficiary;
- “VAP” is the normal value, determined in accordance with art. 9, paragraph 4, sub-paragraph a) of Presidential Decree 917 of 22 December 1986, of the Shares held in the portfolio, established on the date on which the Beneficiary gives notice of having exercised the Options.

The shares purchased by Beneficiaries in compliance with the above obligation will be subject to a minimum holding requirement and may not, therefore, be sold, transferred, exchanged, lent or be part of any disposition for any reason in *inter vivos* dealings, unless so authorised in writing by the Board of Directors, until expiry of the following terms: (i) in the case of Beneficiaries qualifying as “*executive directors*”, until the Termination Date; and (ii) in the case of Beneficiaries qualifying as “*key management personnel*”, until the third year following the purchase date of the Shares.

**4.7 Description of any termination clause in relation to the grant, in case the beneficiaries enter into hedging transactions that allow them to circumvent any prohibition to sell the financial instruments granted, including options, or the shares obtained following exercise of these options.**

Not applicable to the Plan.

#### **4.8 Descriptions of the effects of termination of employment.**

Where the Termination Date is prior to the end of the Vesting Period, the Terms and Conditions establish that the following conditions will apply, even in the case of individual contracts applying different conditions in this regard.

In the event that a director is also an employee, the scope of the Terms and Conditions only applies to the employment relationship.

In the event of termination of employment, where the Termination Date is prior to the end of the Vesting Period, following dismissal, removal or non-reappointment by the Company for just cause, the Options granted to the Beneficiary will be deemed to have lapsed.

In the event of termination of employment following death or a voluntary resignation on a good leaver basis (where the Beneficiary, before the end of the Vesting Period, does not, either personally or through an intermediary or other entity, conduct any activity on an occasional basis or free of charge that is in competition, or that may benefit entities that operate in competition with the Company's business, namely the operation of infrastructure under concession), where the Termination Date is prior to the end of the Vesting Period, the Beneficiary (or his or her heirs) will retain their right to exercise, in whole or in part, the Options Granted in proportion to the number of days of effective service provided in the relevant period after the Transaction Date.

In the event of termination of employment agreed by the Company and the Beneficiary, where the Termination Date is prior to the end of the Vesting Period, the Beneficiary (or his or her heirs) will retain their right to exercise the Options Granted.

It is hereby understood that: (i) the natural end of a director's term of office followed by immediate reappointment without interruption will not be deemed a termination of the directorship; and (ii) Beneficiaries' right to exercise Exercisable Options will be suspended upon the sending of any disciplinary action letter (in accordance with art. 7 of Law 300 of 20 May 1970), until receipt of a notice in which the related sanction is imposed or a notice from the Company or Subsidiary indicating that no sanction is to be imposed.

Finally, it is hereby understood that if the employment relationship or directorship is transferred by the Company or a Subsidiary to another Group company and/or if the employment relationship or directorship is terminated and a new employment relationship or directorship is simultaneously created within the Group, the Beneficiary will retain, *mutatis mutandis*, all rights granted to him or her in accordance with the Terms and Conditions.

#### **4.9 Indication of any other reasons to cancel the plan.**

No reasons to cancel the Plan have been provided for.

#### **4.10 Reasons for any company "buyback" of the financial instruments provided for by the plan, in accordance with article 2357 *et seq.* of the Italian Civil**



**Code; beneficiaries of the buyback, indicating whether such buyback is only for certain employee categories; effects of termination of employment on this buyback.**

The Plan does not provide for any buyback by the Company.

- 4.11 Any loans or facilities that the company intends to extend to allow for the purchase of shares pursuant to article 2358, paragraph 3 of the Italian Civil Code.**

There are no loans or facilities for the purchase of shares pursuant to article 2358, paragraph 3 of the Italian Civil Code.

- 4.12 Indication of the expense the Company expects to incur as of the grant date, as determined on the basis of previously established terms and conditions, as a whole and for each financial instrument.**

Under the previously established terms and conditions, the expected expense can be calculated by applying the Bonus formula described above in paragraph 4.5, without in any case exceeding the Maximum Bonus.

- 4.13 Indication of any dilutive effect on equity resulting from the plan.**

The Plan will not have a dilutive effect.

- 4.14 Any restrictions on voting rights and the grant of ownership rights.**

Not applicable to the Plan.

- 4.15 In the case of shares not traded in regulated markets, any information that may help in arriving at a determination of their full value.**

Not applicable to the Plan.

- 4.16 Number of financial instruments underlying each Option.**

Not applicable to the Plan.

- 4.17 Expiry of the Options.**

See paragraphs 4.3 and 4.5, above.

- 4.18 Type (American/European), timing (e.g. exercise periods) and exercise conditions (e.g. knock-in and knock-out clauses).**

See paragraph 4.5, above.

- 4.19 Exercise price or the manner and criteria for determining such price, with particular emphasis on: (a) the formula to calculate the exercise price in relation to a specific market price (the “fair market value”) (for example: exercise price equal to 90%, 100% or 110% of the fair market value); and (b)**

the manner of determining the fair market value used as the basis for determining the exercise price (for example: the latest price on the day prior to the grant, average for the day, average for the last 30 days, etc.).

Under the Terms and Conditions, the Exercise Price, in relation to the Options Granted, will be €23.67, determined on the basis of the unit price of the new shares to be issued, as approved by the Extraordinary General Meeting of 2 August 2017, adjusted to reflect the eventual payment of dividends prior to the Transaction Date.

- 4.20 If the exercise price is not equal to the fair market value determined as per 4.19.b, the reasons for this difference.**

Not applicable to the Plan.

- 4.21 Criteria whereby different exercise prices are expected for different beneficiaries or different categories of beneficiary.**

Not applicable to the Plan.

- 4.22 If the financial instruments underlying the options are not traded in regulated markets, indication of the value attributable to the underlying instruments or the criteria for determining such value.**

Not applicable to the Plan.

- 4.23 Criteria for the adjustments necessary following extraordinary transactions involving the issued capital or other transactions resulting in a change in the number of underlying financial instruments (rights issues, special dividends, share consolidations or splits, mergers and demergers, conversions into other classes of share, etc.).**

See paragraph 3.3, above.

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*Table 1 of Schedule 7 of Annex 3A of the RI, completed pursuant to article 4.24 of Annex 3A of the RI, is available for inspection on the Company's website at [www.atlantia.it](http://www.atlantia.it).*