



## Corporate Governance Code

Approved by the Board of Directors  
on 18 January 2019

in compliance with the New Corporate Governance Code for listed companies approved by the  
Corporate Governance Committee in July 2018

## **Introduction**

On 14 December 2007, Atlantia's Board of Directors, in compliance with the Corporate Governance Code for listed companies approved in 2006, adopted the Company's own corporate governance code, adapting the general principles contained in the Corporate Governance Code in order to reflect the specific nature of Atlantia.

On 11 November 2011, 14 December 2012, 11 December 2014, 15 December 2016 and 18 January 2019, Atlantia's Board of Directors adopted new, updated versions of the Company's Corporate Governance Code, which also incorporate the Corporate Governance Committee's amendments to the original Code.

## **Art. 1**

### **“Powers of the Board of Directors”**

#### **(1.1)**

- (a) The Board of Directors (also, the “Board”) shall be the collegiate body responsible for the management of the Company and shall, therefore, have sole authority and full powers to conduct the affairs of the Company in pursuit of its priority objective of increasing shareholder value, in accordance with the applicable laws and regulations, and with the existing Articles of Association and this Corporate Governance Code.
- (b) In discharging its duties, the Board shall comply with good corporate governance principles, in accordance with all relevant legislation and regulations and the requirements of the Code of Ethics.

#### **(1.2)**

- (a) The Board shall oversee 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.
- (b) The Board shall, in any event, continue to be vested with policymaking and control powers in respect of the overall operations of the Company in its various components.
- (c) In accordance with the provisions of this Code, the Board shall receive accurate and prompt reports from the holders of delegated powers within the Company, regarding the exercise of such powers and, in any event, with respect to the Company's overall operating performance and outlook, in addition to transactions entered into by the Company and the Group that are considered material due to their size and nature. Such activities shall be conducted in accordance with the procedure referred to in Article 7.

Consequently, as required by art. 27 of the Articles of Association, Directors delegated with specific powers shall report 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 shall be made on the occasion of Board of Directors' meetings to be held at least every quarter or, for urgent matters, in documentation to be sent by registered mail to each standing Auditor.

#### **(1.3)**

Without prejudice to the Board's sole responsibility for non-delegable matters pursuant to art. 2381 of the Italian Civil Code and legislation as may be in force from time to time, and with reference to the Board's power to direct the performance of powers so delegated and to assume responsibility for related transactions, the Board shall have sole responsibility for:

- a) drawing up and adopting the Company's corporate governance rules, setting out the guidelines for the Group's corporate governance;
- b) 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;

- c) 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;
- d) ensuring that transactions with related parties are at all times subject to its sole control, and conducted in compliance with any relevant Consob regulations as implemented by Article 13 below with respect to Company and Group internal procedures.
- e) determining the nature and level of risk compatible with the issuer's strategic objectives, including the Board's assessment of all the potential significant risks to the sustainability of the Company's business over the medium to long term;
- f) approving annual budgets for the Company and consolidated budgets for the Group;
- g) approving transactions of strategic or commercial significance or having a material effect on the Company's results of operations, financial position or cash flows;
- h) examining, assessing and approving, as required by the Articles of Association, relevant legislation and this 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 procedure pursuant to Article 7, below;
- i) determination, conferral and revocation of powers to the Chairperson, Chief Executive Officer and any other executive Directors; appointment of members of the Human Resources and Remuneration Committee as well as the Control, Risk and Corporate Governance Committee, 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 exercise of their delegated powers and the performance of their duties;
- j) 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 Chairperson, 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 this Code;
- k) 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 function, and particularly any information received from the Chairperson, Chief Executive Officer and the Control, Risk and Corporate Governance Committee;
- l) deciding, at the proposal of the Chief Executive Officer, the composition of the corporate bodies of strategically important subsidiaries;
- m) determining, at the proposal of the Chief Executive Officer, the powers and duties of the Company's General Manager, where appointed;
- n) without prejudice to the powers restricted to General Meetings, and 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;

- o) ensuring compliance with the procedure for reporting to the Board of Statutory Auditors, pursuant to art. 150 of Legislative Decree 58/98;
- p) reporting, in accordance with applicable legislation and regulation, to shareholders at General Meeting;
- q) appointment of the head of internal audit in accordance with article 11.3, point 2, below.

#### **(1.4)**

The Board of Directors shall, at least once a year, review the composition and performance of the Board and its Committees, taking into account aspects that shall include professional expertise, managerial and other experience and gender, in addition to length of service and including with regard to the diversity factors referred to in art. 2.2.d) below.

Should the Board of Directors avail itself of external consultants for the purposes of the self-assessment, the corporate governance report shall provide information on the identity of the consultants and on any additional services supplied by such consultants to the issuer or a subsidiary thereof.

#### **(1.5)**

The Board may, at its discretion, express an opinion on the maximum number of positions as a director or statutory auditor in companies listed in Italy, or abroad, that Directors of the Company may hold in financial, banking and insurance companies, or in any other large companies, such that these positions are compatible with the effective performance of their duties as a Director of the Company.

The Board shall formulate such opinion with reference to claims on the time of Directors and Statutory Auditors in order to ensure that such officers are able to satisfactorily perform their duties.

#### **(1.6)**

Based on the outcome of the review referred to in art. 1.4, the Board of Directors may, prior to election of the new Board of Directors, provide shareholders with guidance on the appropriate managerial and professional expertise that members of the Board ought to possess, including with regard to the diversity factors referred to in art. 2.2.d).

### **Art. 2**

#### **“Composition of the Board of Directors”**

#### **(2.1)**

Pursuant to the Articles of Association in force, nominations for directorships, accompanied by documentation containing all relevant personal and professional information about candidates, and information regarding their suitability to qualify as independent pursuant to Article 3 below, shall be

deposited at the Company's head office at least fifteen days prior to the date of the relevant General Meeting.

**(2.2)**

- (a) The Board of Directors shall include executive (meaning the Chief Executive Officer and the Chairperson, where vested with executive powers and responsibilities, and other executive Directors) and non-executive Directors.
- (b) 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.
- (c) In the event the Company is a component of the FTSE-MIB index, at least one third of the members of the Board of Directors shall be independent. Such number shall be rounded in the event that it is not a whole number. The number of independent Directors may, however, never be less than two.
- (d) Atlantia shall ensure that the composition of its Board of Directors takes into account diversity factors relating to gender, managerial and professional experience at both international and local level, and the presence of people from different age groups and with different lengths of service, with the priority objective of ensuring that its members are in possession of the requisite skills and expertise.

**(2.3)**

Directors shall only accept their appointment to the extent they believe that they have sufficient time to devote to carrying out their duties diligently, after due consideration to 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, taking account, where available, of any relevant opinions of the Board of Directors.

**(2.4)**

Directors must always act in an informed and rational manner and must be acquainted with the duties and responsibilities attaching to their appointment.

**Art. 3**

**“Independent Directors”**

**(3.1)**

An adequate number of non-executive Directors shall be independent Directors. 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 prominent representative of the issuer;
- d) is or was, at any time during the previous three years, a prominent 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 Chairperson, legal representative, executive Directors and key management personnel;
- e) receives, or has received in the previous three years, from the issuer or a subsidiary or parent of the issuer, significant additional remuneration compared to the "fixed" 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.

### (3.2)

The independence of Directors shall be periodically reviewed by the Board of Directors, based on information provided by the individuals concerned. For this purpose, the Board shall, based on the statements provided, 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. This shall also take account 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.

### (3.3)

Independent Directors shall meet separately in closed session at least once a year.

Independent Directors' meetings shall be understood to mean meetings that are separate and different from Board Committee meetings.

## **Art. 4**

### **“Board of Directors’ meetings”**

#### **(4.1)**

The Directors shall, in accordance with their general duty of sound management practices, autonomously act and formulate policy on an informed basis in compliance with their duty of care having regard to the Company and creating shareholder value.

#### **(4.2)**

Meetings of the Board of Directors shall be presided over by the Chairperson, who shall avail himself of the assistance of the Secretary to the Board.

#### **(4.3)**

The Board of Directors shall meet at least four times a year, or whenever deemed appropriate by the Chairperson. 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.

#### **(4.4)**

At the beginning of each meeting, the Chairperson and the Chief Executive Officer shall inform the Board of Directors 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. 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.

#### **(4.5)**

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.

#### **(4.6)**

The participation at Board of Directors’ 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 – shall be deemed to be consistent with management of the Company in pursuit of the creation of shareholder value.



The corporate governance report shall provide information on their effective participation.

**(4.7)**

The Chairperson, 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.

**(4.8)**

The Chairperson of the Board of Directors shall ensure that, following their election and throughout their term of office, Directors and Statutory Auditors may participate, in the most appropriate form, in initiatives designed to provide them with the requisite information on the sector in which the Company operates, on the Company's operations and related developments, on the adoption of a correct approach to risk management and on the related regulatory framework and self-regulation.

Atlantia provides information on the various types of initiative during the reporting period, and the related organisational procedures, in the corporate governance report.

**Art. 5**

**“Chairperson of the Board of Directors”**

In addition to the powers attributed to the Chairperson of the Board by law and the Articles of Association, the Chairperson shall also have the following duties:

- a) to ensure that Directors receive all the necessary documentation regarding items on the agenda for Board meetings, in order for them to participate effectively in Board meetings. This material shall be sent to Directors in advance of the meetings, as required by Article 4.4 above;
- b) to ensure adequate information flows between the Company's Board and other management and corporate bodies;
- c) to monitor, in accordance with the programmes approved by corporate bodies, general initiatives designed to promote the Company's image;
- d) to represent, 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;
- e) oversee relationships between the Company and Italian and non-Italian Authorities, entities and organisations, including those of a multilateral nature.

**Art. 6**

**“Chief Executive Officer”**

**(6.1)**

The Chief Executive Officer shall be responsible for implementing resolutions approved by the Board of Directors.

**(6.2)**

The Chief Executive Officer shall be responsible for drawing up and submitting proposals to the Board of Directors regarding (i) strategic, operating and financial plans, including long-term plans, for the Company, its subsidiaries and the Group, in addition to changes that may be required from time to time to undertake strategic transactions that were originally not planned; (ii) the Company's budgets and the Group's consolidated budgets; (iii) extraordinary transactions involving the Company and the Group.

The Chief Executive Officer shall have the power to govern and coordinate Group companies within the scope of the authority granted to him by the Board of Directors.

**(6.3)**

In addition, the Chief Executive Officer shall:

- (a) be responsible for the adequacy of organisational, administrative and accounting systems, taking account of the nature and size of the Company and the Group, and for the appropriate procedures designed to safeguard confidential information, reporting on this matter to the Board of Directors;
- (b) carry out ongoing and continuous monitoring of the performance of the Company and the Group;
- (c) be responsible for relations between the Company and institutional investors;
- (d) report to and make proposals to the Board regarding matters for which the Chief Executive Officer is responsible, as required by Article 1.3 above.

**(6.4)**

Pursuant to specific resolutions, the Chief Executive Officer shall be vested with the powers necessary to carry out day-to-day operations that are not the preserve of the Board of Directors and the Chairperson, pursuant to the law, the Articles of Association and this Code.

**Art. 7**

**“Reporting to the Board of Directors and the Board of Statutory Auditors”**

**(7.1)**

- (a) The Chief Executive Officer shall report regularly to the Board of Directors and the Board of Statutory Auditors, in accordance with pre-arranged procedures and, in any event, at least quarterly, on the activities conducted in exercising the powers delegated.
- (b) They shall ensure that the Board of Directors is given adequate information on any significant,

atypical, unusual or related party transactions, or on transactions in which the Chief Executive Officer has an interest, on their own behalf or on behalf of third parties, so that the Board may in turn provide a formal account to the Board of Statutory Auditors in accordance with the legislation and the Articles of Association in force.

**(7.2)**

Any Board members given authority to engage in transactions during the year shall be under obligations similar to those described in Article 7.1.

**Art. 8**

**“Management of confidential information and Code of Conduct for Internal Dealing”**

**(8.1)**

The management of confidential information shall be the responsibility of the Chairperson, acting in agreement with the Chief Executive Officer. For this purpose, the Chairperson shall propose that the Board of Directors adopt procedures for the internal management and publication of documents and information regarding the Company, with particular reference to price sensitive information.

**(8.2)**

The Company shall adopt a Code of Conduct setting out the requirements for reporting and conduct for transactions involving financial instruments carried out by individuals who, as a result of their role or position, have access to price sensitive information. Such individuals shall have been previously identified within the Company’s various departments.

**(8.3)**

All Directors shall be required to keep confidential all documents and information obtained in the discharge of their duties, and to comply with the procedures adopted for the publication of such documents and information.

**Art. 9**

**“Board committees”**

The Board of Directors shall establish one or more committees with executive, recommendation and/or advisory functions, in addition to those already provided for in articles 10 (the Human Resources and Remuneration Committee) and 12 (the Control, Risk and Corporate Governance

Committee).

The meetings of each committee shall be minuted. The Chairperson of the committee shall report to the Board of Directors whenever they deem it to be appropriate or at the request of one or more Directors.

### **Art. 9 *bis*** **“Nominations Committee”**

1. The Board of Directors shall establish a Nominations Committee from within its ranks, which shall consist of 5 Directors, the majority of whom independent.

The Chairperson of the Nominations Committee shall be chosen from among the independent Directors.

The Board of Directors shall appoint and terminate Nominations Committee members and the Committee’s chairperson.

2. The Nominations Committee is responsible for assisting the Board of Directors by providing it with advice, in accordance with articles 4 and 5 of the the Corporate Governance Code for listed companies. In this regard, the Nominations Committee has the following role:

- a) to advise the Board on the size and composition of the Board itself;
- b) to make recommendations to the Board regarding the appropriate professional expertise that members of the Board ought to possess;
- c) to make recommendations to the Board of Directors regarding the maximum number of positions as directors or statutory auditors in companies listed in Italy, or abroad, that Directors of the Company may hold in financial, banking and insurance companies, or in any other large companies, such that these positions are compatible with the effective performance of their duties as a Director of the Company, taking into account Directors’ participation in any Board committees;
- d) to make recommendations to the Board of Directors regarding any issues relating to the application of the non-competition restrictions for Directors imposed by art. 2390 of the Italian Civil Code, should a General Meeting of shareholders give general and prior authorisation for exceptions to such restrictions due to organisational requirements;
- e) to recommend candidates for the post of Director to the Board of Directors in the event of co-optation, when it is necessary to replace an independent Director;
- f) to express an opinion on compliance with the “Guidelines for the nomination of members of the corporate bodies of strategically important companies”, regarding proposed appointments, by the Company’s Chief Executive Officer, of chairpersons, executive directors and external, non-executive Directors an Statutory Auditors.

The Nominations Committee shall assess application of the diversity requirements referred to in art. 123-*bis*, paragraph 2.d-*bis*) of the Consolidated Finance Act, in relation to the composition of the Board of Directors under the circumstances referred to in points a) and e) above.

### **Art. 10** **“Human Resources and Remuneration Committee”**

**(10.1)**

- (a) The Board of Directors shall establish a Human Resources and Remuneration Committee from within its ranks, which shall have five non-executive members. The Committee shall have investigative functions and provide consultation and advice to the Board of Directors. At least one Board member shall have appropriate financial expertise and experience, to be assessed by the Board of Directors at the time of election. The Committee shall elect a Chairperson from among its members.
- (b) The Human Resources and Remuneration Committee:
  - i) shall submit proposals to the Board relating to the establishment of a general policy for the remuneration of the Chairperson, 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;
  - ii) shall submit proposals to the Board relating to the overall remuneration of the Chairperson, 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;
  - iii) shall monitor application of decisions taken by the Board, verifying above all the effective achievement of performance targets;
  - iv) shall examine any share-based or cash incentive plans for employees of the Company and the Group and strategic staff development policies.
- (c) In carrying out its work, the Committee may make use of external consultants at the Company's expense. If the Committee intends to engage a consultant to provide information on market practices regarding remuneration policies, the Human Resources and Remuneration Committee must first ensure that there is no risk that the consultant's independence of judgement may be compromised.
- (d) The Company's Chairperson and Chief Executive Officer shall attend the Committee's meetings, without prejudice to the requirement that no Director may attend meetings at which proposals regarding their own remuneration are discussed.
- (e) The Human Resources and Remuneration Committee shall meet as often as deemed necessary or at the request of one of its members.

**(10.2)**

- (a) As a rule, in fixing the overall remuneration of the Chairperson, the Chief Executive Officer and the Company's executive Directors, and in deciding on the criteria for establishing the remuneration of key management personnel and the Company's and the Group's senior management, to be submitted for approval by the Board of Directors, with the favourable opinion of the Board of Statutory Auditors, the Human Resources and Remuneration Committee shall require that a significant portion of this remuneration be linked to the

Company's and the Group's operating performances - in such a way that their interests are aligned with pursuit of the priority objective of creating shareholder value over the medium to long term - and, eventually, to the achievement of specific targets (including targets unrelated to the operating performances), previously indicated and established in line with the guidelines contained in the general policy referred to in 10.1. b) above.

- (b) The remuneration of Directors and key management personnel shall be sufficient to attract, retain and motivate people in possession of the professional skills and expertise required in order to manage the Company.
- (c) The remuneration of non-executive Directors shall be consistent with the degree of commitment required of each Director, taking into account their membership of one or more Board committees.

### (10.3)

- (a) The general remuneration policy for executive Directors shall be set by the Board of Directors, with the aid of the Human Resources and Remuneration Committee, in line with the following criteria:
  - i) the fixed and variable components shall be appropriately weighted based on the Company's strategic objectives and risk management policy, also taking account of the sector in which it operates and the nature of the business activities actually conducted;
  - ii) caps shall be applied to the variable components;
  - iii) the fixed component shall be sufficient to pay for the services of the Chief Executive Officer should the variable component not be paid due to failure to achieve the performance targets set by the Board of Directors;
  - iv) performance targets - namely the operating results and any other specific targets linked to payment of the variable components (including targets relating to share incentive plans) - shall be predetermined, measurable and linked to the creation of shareholder value over the medium to long term;
  - v) payment of a significant portion of the variable component of remuneration shall be deferred for an adequate period of time from the vesting date; measurement of this portion and the duration of the deferment period shall be consistent with the nature of the Company's business and the related risk profiles;
  - vi) contractual terms have been included that allow the Company to request repayment, in full or in part, of variable components of remuneration paid (or to withhold sums subject to deferment), if determined on the basis of data shown to be manifestly inaccurate. Manifestly inaccurate data is understood to mean the data used for the purposes of verifying achievement of the performance targets set as part of incentive plans, on which the grant of options or units is conditional. Data may be manifestly inaccurate as a result of the following:
    - (i) an error in computing the results determining achievement of a target (the basis for payment of a variable component), which would not have been achieved had the material error not been present;
    - (ii) a deliberate misstatement of the data used in order to measure achievement of targets; or
    - (iii) the achievement of targets as a result of conduct contrary to the law or Company rules.

In the latter two instances, Atlantia reserves the right to take action against those responsible

- for such conduct, including action in the manner and to the extent permitted by law;
- vii) any indemnity payable in the event of termination of a Director shall be set in such a way that the total sum payable does not exceed a certain amount or a certain number of years' remuneration. This indemnity shall not be paid if termination is due to the fact that the Director has achieved results objectively deemed to be inadequate.
- (b) In drawing up share incentive plans, the Board of Directors shall ensure that:
- i) the shares, options and any other rights awarded to Directors granting them the right to purchase shares or to be paid on the basis of the share price performance shall have a vesting period of at least three years;
  - ii) vesting, as referred to in point i) above, shall be subject to the achievement of predetermined and measurable performance targets;
  - iii) Directors shall retain a portion of the shares awarded or purchased via the exercise of the rights referred to in point i) until the end of their term of office.
- (c) The criteria referred to in points (a) and (b) shall also apply, insofar as they are compatible, in determining – by bodies with the appropriate authority – the remuneration of key management personnel. These criteria shall also apply, as a rule and insofar as they are compatible, to the Company's and the Group's senior management. Incentive mechanisms for the head of internal audit and the manager responsible for financial reporting shall be consistent with their duties.
- (d) The remuneration of non-executive Directors shall not – unless to an insignificant extent – be linked to the Company's operating performance. Non-executive Directors shall not be the beneficiaries of share incentive plans, unless approved by General Meeting.
- (e) The Board of Directors shall determine the extent to which a succession plan is required for executive Directors. In the event such plan is introduced, the Company shall disclose its existence in the corporate governance report, giving a clear indication of the objectives, timing and process.
- (f) In the event of the termination or removal from office of an executive Director or general manager, the issuer shall, on completion of the internal processes leading to the award or recognition of an indemnity and/or other benefits, provide detailed information in this regard, via an announcement to the market.
- (g) The above announcement to the market shall include:
- a) adequate information on the indemnity and/or other benefits, including the related amount, the timing of payment – distinguishing between the portion payable immediately and the portion subject to any deferment mechanisms and also between components awarded in relation to the position of Director and those relating to any components payable as an employee and any terms requiring repayment, with specific reference to:
    - severance or termination indemnities, specifying the reasons justifying payment (for example, expiry of the term of office, dismissal or a settlement);
    - the retainment of options or units linked to cash or share-based incentive plans;
    - post-employment benefits (monetary or non-monetary);
    - non-competition undertakings, describing the principal features;
    - any other compensation paid for whatever reason and in whatever form;
  - b) information regarding compliance or otherwise of the indemnity and/or other benefits with the guidelines set out in the remuneration policy, in the event of any, even partial, deviation from such guidelines, information on the decision-making procedures followed in application of CONSOB regulations governing related party transactions;
  - c) indications regarding the application, or otherwise, of any mechanisms placing limits on or

adjusting payment of the indemnity in the event of termination due to unsatisfactory performance, and the eventual request for the repayment of compensation previously paid;

d) information regarding the fact that replacement of the terminated executive Director or general manager is governed by any form of succession plan adopted by the Company and, in any event, indications regarding the procedures followed or to be followed in replacing the Director or manager.

## **Art. 11**

### **"Internal Control and Risk Management System"**

#### **(11.1)**

The internal control and risk management system shall consist of all of the rules, procedures and organisational structures designed to enable, through adequate identification, measurement, management and monitoring of the main risks, the sound and correct management of the Company in a manner consistent with predetermined objectives.

#### **(11.2)**

An effective internal control and risk management system contributes to:

- a) 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;
- b) ensuring and checking the quality and reliability of the accounting, management and, in general, financial information provided to corporate bodies and to the market, including through controls of the related registration processes and information flows;
- c) ensuring and monitoring compliance with the requirements of the Code of Ethics and, in general, the applicable legislation and regulations;
- d) ensuring implementation of and compliance with the Organisational, Management and Control Model pursuant to Legislative Decree 231/2011 and regulatory requirements;
- e) protecting the value of the Company's assets, including the prevention of fraudulent activity that may damage the Company and the financial markets.

#### **(11.3)**

1. 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 and the procedures for coordination of the persons involved, and shall 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) and, 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.
2. The Board of Directors shall, on the proposal of the Director responsible for the internal control and risk management system and subject to the consent of the Control, Risk and Corporate Governance Committee and having consulted with the Board of Statutory Auditors:
- a) appoint the head of internal audit or revoke such appointment;
  - b) ensure that the head of internal audit has the resources needed to properly perform his duties;
  - c) determine the head of internal audit's pay consistent with corporate policy.
3. The head of internal audit shall be responsible for verifying that the internal control and risk management system is properly functioning and is fit for purpose.
- The head of internal audit shall:
- a) audit, on an ongoing and *ad hoc* basis and in compliance with international standards, the efficiency and adequacy of the internal control and risk management system through the application of an audit plan, duly approved by the Board of Directors, based on a structured analysis and the ranking of material risks;
  - b) not be a member of an operating area but rather report directly to the Chairperson of the Board of Directors;
  - 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.

#### (11.4)

- (a) The Director responsible for the internal control and risk management system shall determine the tools and the implementation procedures for the internal control and risk management 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. They shall also propose the appointment of the head of internal audit or the revocation of such appointment.
- (b) In order to control the good working order of the internal control and risk management system, the Board of Directors shall employ the services of the Control, Risk and Corporate Governance Committee and the head of Internal Audit. The Committee and the head of

Internal Audit shall be sufficiently independent and in possession of the adequate resources to perform such function.

- (c) The head of Internal Audit shall report his findings to the Chairperson and the Director responsible for the internal control and risk management system as well as to the Control, Risk and Corporate Governance Committee and Board of Statutory Auditors.
- (d) The Director responsible for the internal control and risk management system shall implement modifications to the internal control and risk management procedures as required by the findings of the above audit.
- (e) The Director responsible for the internal control and risk management system shall have the powers to require the internal audit of specific operating areas and compliance with internal rules and procedures for company operations. Such internal audits shall be notified to the Chairmen of the Board of Directors, Control, Risk and Corporate Governance Committee and Board of Statutory Auditors.
- (f) The Director responsible for the internal control and risk management system shall promptly report 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) in order for the Committee (or the Board of Directors) to take the appropriate action.

#### **(11.5)**

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

- a) operational powers shall be assigned taking account of the nature, ordinary size and risks associated with the various categories of transaction; scope for the exercise of powers is closely linked to the duties delegated;
- b) the organisational structures shall be arranged in such a way as to avoid functional overlaps and the concentration of responsibility for highly critical or risky activities in one individual, without adequate authorisation processes;
- c) each process shall be subject to an adequate system of parameters and a related periodic report designed to measure efficiency and effectiveness;
- d) the professional knowledge and skills available within the organisation shall be periodically analysed in terms of their match with the objectives assigned;
- e) operating processes shall be 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 shall guarantee an adequate level of protection for the organisation's assets and access to data as required in order to carry out the activities assigned;
- g) the risks connected to achievement of objectives shall be 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) the internal control and risk management system shall be subject to continuous supervision to enable periodic assessment and ongoing adaptation.

#### **Art. 11.6**

The internal control and risk management system includes an appropriate whistleblowing system to

enable employees (and others) to report any irregularities or violations of applicable regulations or internal procedures, in keeping with existing best practices at national and international level. This system provides a specific, confidential channel for reporting such matters and guarantees the anonymity of the whistleblower.

## **Art. 12**

### **"Control, Risk and Corporate Governance Committee"**

#### **(12.1)**

- (a) The Board of Directors shall establish a Control, Risk and Corporate Governance Committee from within its ranks in support, with due examination, of the Board's judgements and decisions relating to the internal control and risk management system (see art. 11.2, above) as well as those relating to approval of periodic financial reports. The Committee shall be comprised of non-executive Directors, at least one of whom shall be a Director elected by minority shareholders. At least one of the Committee members shall have adequate experience of accounting and finance or risk management.

The Committee shall elect a Chairperson from among its members.

- (b) The Chairperson of the Board of Statutory Auditors (or another standing Auditor, at his request) shall attend Committee meetings. Depending on the issues to be dealt with, the Chairperson of the Board of Directors, the Chief Executive Officer, 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.

#### **(12.2)**

The Committee shall:

- a) assist the Board of Directors in carrying out its responsibilities as defined in Article 11.3;
- 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;
- c) evaluate 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 function;
- d) assess, 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) report 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) have the powers to require the internal audit of specific operating areas. Such internal audits

- shall be notified to the Chairmen of the Board of Statutory Auditors;
- g) carry out any other duties assigned by the Board of Directors;
  - h) through adequate investigation, support the decisions of the Board of Directors with respect to the approval of periodic financial statements;
  - i) express its opinion to the Board of Directors on the corporate governance report for the purposes of describing the characteristics of the internal control and risk management system and the extent to which it is fit for purpose;
  - j) conduct an assessment, if deemed necessary, of the management of risks deriving from adverse events known to the Board of Directors, providing, when requested, the results of such assessment to the Board.

### (12.3)

The Committee shall oversee observance and the periodic update of corporate governance rules and observance of the Organisational, Management and Control Model and Code of Ethics adopted by the Group.

### (12.4)

As a rule, the Control, Risk and Corporate Governance Committee shall meet once every two months at the request of one of its members. Its members shall establish operational rules for the Committee.

### (12.5)

The Committee's functions are entirely independent of those of the Supervisory Board. The Committee (i) may request information from the Supervisory Board and (ii) provide any information requested by it.

### (12.6)

The Control, Risk and Corporate Governance Committee shall be provided with periodic reports on the risks relating to sustainability covered in the *Non-financial statement*, without prejudice to the Sustainability Committee's ability to operate with full independence.

## Art. 13

### **"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 within the Company and the Group in the form of internal procedures.

## **Art. 14**

### **“Shareholder relations”**

#### **(14.1)**

The Company shall set itself the objective of maintaining and developing a constructive dialogue with shareholders and institutional investors, based on awareness of the reciprocal roles, using, for this purpose, a specific department, which shall be responsible at Group level for relations with the Italian and international financial community.

#### **(14.2)**

The Directors shall 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.

#### **(14.3)**

As a rule, all the Directors shall attend General Meetings.

#### **(14.4)**

General Meetings shall 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.

#### **(14.5)**

In the event of significant changes in the Company's overall capitalisation, in the shareholder structure and in the number of shareholders, the Directors shall 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.

#### **(14.6)**

The General Meeting Regulations, shown at the end of the Articles of Association, shall provide for the orderly and functional proceedings of Ordinary and Extraordinary General Meetings.

## **Art. 15**

### **“Statutory Auditors”**

#### **(15.1)**

In accordance with the relevant provisions of the Articles of Association, the nominations for the position of Statutory Auditor submitted to shareholders shall be accompanied by documentation containing all relevant personal and professional information about the candidates, which shall be deposited at the Company’s head office at least twenty-five days prior to the date of the relevant General Meeting.

#### **(15.2)**

Statutory Auditors shall 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. The Board of Statutory Auditors shall ascertain compliance with these criteria after election and subsequently annually, reporting on its findings in the corporate governance report in a manner consistent with the arrangements for Directors.

Atlantia shall ensure that the composition of its Statutory Auditors takes into account diversity factors relating to gender, managerial and professional experience and the presence of people from different age groups and with different lengths of service, with the priority objective of ensuring that its members are in possession of the requisite skills and expertise.

#### **(15.3)**

The Statutory Auditors shall act autonomously and independently, including in respect of the shareholders that elected them.

#### **(15.4)**

Statutory Auditors’ remuneration shall be commensurate with the commitment required, the importance of the role held, the size of the Company and the sector in which it operates.

#### **(15.5)**

In compliance with the regulations in force, the Board of Statutory Auditors shall oversee the financial reporting process, the effectiveness of the internal control and risk management systems, the independent audit of the annual and consolidated financial statements and the independence of the independent auditors, above all with regard to the provision of non-audit services.

#### **(15.6)**

Within the scope of their activities, the Statutory Auditors may request Internal Control to carry out checks of specific areas of operation or transactions.

**(15.7)**

The Board of Statutory Auditors shall check on the correct application of the criteria and procedures adopted by the Board of Directors in order to assess the independence of its members. The outcome of these checks shall be disclosed to the market.

**(15.8)**

The Board and the Statutory Auditors shall be required to keep confidential all documents and information obtained in the discharge of their duties, and to comply with the procedures adopted for the publication of such documents and information.

**(15.9)**

The Board of Statutory Auditors shall exercise its powers and fulfil its duties as provided for by law.