

**ATLANTIA S.P.A. BOARD OF DIRECTORS' REPORT ON ITEM 4) ON THE AGENDA OF THE ORDINARY PART OF THE GENERAL MEETING TO BE HELD ON 28 APRIL 2021 ON SINGLE CALL: "APPROVAL OF AN INCENTIVE PLAN CONCERNING ATLANTIA S.P.A.'S ORDINARY SHARES NAMED "STOCK GRANT PLAN 2021-2023". RELATED AND RESULTING RESOLUTIONS."**

Dear Shareholders,

you have been called to the Ordinary and Extraordinary Shareholders' Meeting of Atlantia S.p.A. (the "**Company**" or "**Atlantia**") to resolve on item 4) on the agenda of the ordinary part of the General Meeting, pursuant to art. 114-*bis* of Legislative Decree of 24 February 1998, no. 58 as amended (the "**TUF**"), on the proposal to approve a stock grant incentive plan named "*Stock Grant Plan 2021-2023*" (the "**Plan**"), concerning the award of Atlantia ordinary shares (the "**Shares**") free of charge and consisting of three annual cycles (2021, 2022, 2023) (each, a "**Cycle**").

The proposal to approve the Plan to be submitted to this Shareholders' Meeting was approved by the Board of Directors of Atlantia on 11 March 2021, with the prior favourable opinion of the Nomination, Remuneration and Human Capital Committee on 2 March 2021 and having heard the opinion of the Board of Statutory Auditors as far as it is concerned.

The Plan will be implemented through the use of the treasury Shares held by the Company on the date in which the Shares will be awarded under the Plan. On this regard, on the date of the present explanatory report (the "**Report**"), the Company owns no. 6.959.693 treasury Shares, equal to approximately 0,843 % of the Company's share capital.

This Report on item 4) on the agenda was prepared by the Board of Directors of Atlantia pursuant to articles 114-*bis* and 125-*ter* of TUF.

The information document on the Plan (the "**Information Document**"), prepared in accordance with article 84-*bis* and Scheme no. 7 of Annex 3A to the Issuers' Regulation will be made available to the public within the terms set forth by the applicable rules and regulations at the Company's registered office at Via Alberto Bergamini, no. 50, 00159 Rome, (according to the modalities set out in the notice of call) on the Company's website ([www.atlantia.it](http://www.atlantia.it)), in the Section "*Investor Relations/General Meetings*", as well as on the authorised storage mechanism "1Info" ([www.1info.it](http://www.1info.it)), together with the Report.

The conditions, terms and methods of implementation of the Plan will be defined in the regulation to be approved by the Board of Directors of the Company, after consultation of the Nomination, Remuneration and Human Capital Committee and the Board of Statutory Auditors (the "**Regulation**") as far as they are concerned.

## **1. Reasons for the adoption of the Plan**

The adoption of the Plan is aimed at aligning the medium-long term remuneration opportunities of the management and other key resources of the Company with the generation of sustainable value for the shareholders and other stakeholders in the long term, promoting stable participation to the share capital of the Company.

The Plan is one of the instruments contributing to involve the subjects playing a central role in achieving the Company's results to strengthen their loyalty, add value to the Company and align the interests of the above subjects with the interests of the Company's shareholders.

## **2. Beneficiaries of the Plan**

The Plan is divided into three Cycles (2021, 2022, 2023). The Plan is reserved to the following beneficiaries (the "**Beneficiaries**"):

- for the 1st Cycle, Fabio Cerchiai (Chairman of the Board of Directors), Carlo Bertazzo (Chief Executive Officer and General Manager), as well as any executives of the Company identified at the sole discretion of the Board of Directors among the key resources for the pursuit of long-term sustainable success; and
- for the 2nd and 3rd Cycles, employees (including managers) and/or directors and/or collaborators of the Company as identified for each of these Plan Cycles at the sole discretion of the Board of Directors among the key resources for the pursuit of long-term sustainable success.

Within the above limits, the Beneficiaries may be identified by the Board of Directors also on different dates, in any case by: (i) 31 December 2021, for the 1st Cycle; (ii) 31 December 2022, for the 2nd Cycle; and (iii) 31 December 2023, for the 3rd Cycle.

## **3. Modalities of implementation of the Plan**

The Plan provides for the attribution of rights free of charge in favour of the Beneficiaries, which, at the end of the three-year period, for each Plan Cycle, in reference to which the performance indicators (as defined below) are determined (and therefore 1 January 2021 - 31 December 2023 for the 1st Cycle; 1 January 2022 - 31 December 2024 for the 2nd Cycle; and 1 January 2023 - 31 December 2025 for the 3rd Cycle) (each, the "**Performance Period**") and after having met the conditions set out in the Plan, will entitle the Beneficiaries, for each Plan Cycle, to receive Company's Shares (the "**Rights**").

### Adherence to the Plan

The Company will send the Beneficiaries the Regulation and the acceptance form (the "**Acceptance Form**").

The Beneficiaries will be able to adhere to the Plan by signing and delivering to the Company the Acceptance Form and a copy of the Regulation, in the manner and within the terms that will be indicated by the Company, under penalty of loss of the right to adhere to the Plan. For each Plan Cycle, the Company will deliver to the Beneficiaries the Acceptance Form indicating the initial rights attributed (the "**Initial Rights**"), within a target number and a maximum number determined by the Board of Directors, and the Performance Indicators (as defined below) for the related Plan Cycle.

### Assignment of Rights

The assignment of the Initial Rights will be free of charge. For each Plan Cycle, the Board of Directors will determine the target and maximum number of Initial Rights to be attributed to each Beneficiary.

The target and maximum number of Initial Rights will be determined on a discretionary basis also taking into account an indicator equal to a multiple of the gross annual fixed compensation of each Beneficiary, on 1 January of each Plan Cycle, considering the relative position in the company organization.

Each Right entitles the Beneficiary to receive no. 1 (one) Share.

#### Award of Shares

The accrual of the Initial Rights and the corresponding award of the Shares are subject to a check by the Board of Directors on the achievement of one or more Performance Indicators (as defined below) at the end of the Performance Period of each Plan Cycle.

The performance indicators of the Plan (the “**Performance Indicators**”) are:

- the “First TSR Indicator”, which is the performance of the Company’s annualized Total Shareholder Return over the Performance Period of each Plan Cycle;
- the “Second TSR Indicator”, which is the Company’s Total Shareholder Return compared against the Total Shareholder Return of the companies and the performance of the indices included, for each Plan Cycle and for the entire duration of the related Performance Period, in the peer group identified for the Plan, thus elaborating a ranking scale from 1st to 10th place; and
- the “ESG Indicator”, which represents the extent to which objectives related to the environmental and social sustainability of the Group’s activities are met, as defined for each Plan Cycle by the Board of Directors in line with the evolution of sustainability priorities. For the 1st Plan Cycle, these objectives are: *(i)* reduction of the carbon footprint of the Group’s activities measured against a target defined in accordance with the Science Based Target initiative (SBTi) and as approved by the Board of Directors; *(ii)* increase in the share of electricity consumed from renewable sources; *(iii)* positive assessment of the Company’s corporate reputation, as reported by an independent third party; *(iv)* increase in the female presence in managerial positions, among the members of the board of directors and control bodies of the companies participated by the Company and the gender mix in the selection of personnel for highly professional roles; *(v)* reduction in the accident frequency rate occurred to direct employees of the Group companies,

without prejudice to the right of the Board of Directors to modify the Performance Indicators for the 2nd and 3rd Plan Cycles in line with the prospects and the strategic development plans of the Company, also making changes with respect to the Performance Indicators for the 1st Cycle but maintaining a direct link with the creation of sustainable value for the shareholders and other stakeholders. These Performance Indicators will be communicated to the relevant Beneficiaries through the Acceptance Form and made available to the market through the publication of the report on the remuneration policy and/or the annual report on the remunerations paid.

Following the completion of the Performance Period, each of the Beneficiaries will be granted with additional rights (the “**Additional Rights**”) free of charge calculated on the basis of the Initial Rights accrued to the extent the Performance Indicators are met (the “**Accrued Rights**”) and distributed dividends (*i.e.* accumulated dividends per share distributed to the Company’s shareholders in the period between the first day of the Performance Period and the day preceding the date in which the Shares are awarded to the Beneficiaries, both included).

The award of Shares is also conditional upon the continuation of the relationship as employer and/or collaborator and/or director between the Beneficiary and the Company (the “**Relationship**”), and upon the compliance with the Company’s Code of Ethics and Code of Conduct.

The Regulation will establish the various effects caused by any termination of the Relationship and/or violation of the Code of Ethics or the Code of Conduct, taking into account the reason for the termination/seriousness of the violation and the time when this should occur, and will determine the cases in which the Beneficiary (or his/her heirs) will be entitled to maintain, in whole or in part according to a “*pro rata temporis*” criterion, the Total Rights of the related Plan Cycle. In these cases, the award of the Shares to the Beneficiary (or to his/her heirs) will take place under the normal terms described below, subject to a check on the achievement of the Performance Indicators.

The right of the Beneficiaries to the award of the Shares will remain suspended from the dispatch of a letter notifying commencement of a disciplinary action (pursuant to and for the purposes of article 7 of Law no. 300/70) or, whichever is earlier, from the issue of a precautionary suspension measure and up to the receipt of the communication notifying the imposition of the relative sanction or the communication by the Company notifying that it intends not to proceed with the imposition of any sanctions or to terminate the precautionary suspension measure.

The natural expiry of the office of director followed by immediate renewal without interruption will not be considered as a termination of the Relationship.

The Shares, in the number corresponding to the sum of Accrued Rights and Additional Rights (the “**Total Rights**”), will be awarded to the individual Beneficiaries, by means of a specific communication from the Company, within the sixtieth calendar day following the date of approval of the Group consolidated financial statements for the financial year ending on 31 December 2023 for the 1st Cycle, for the financial year ending on 31 December 2024 for the 2nd Cycle and for the financial year ending on 31 December 2025 for the 3rd Cycle. The award of the Shares will be free of charge.

For further information on the structure, terms and conditions of the Plan, please refer to the information contained in the Information Document.

#### **4. Restrictions on the availability of the Shares**

##### Prohibition of transfer of the Rights

The Rights will be attributed to the Beneficiaries in a personal capacity and shall not be transferred by any deeds between living persons or be subject to encumbrances or be the object of other acts of disposal for any reasons.

The notion of “transfer” includes any and all transactions causing the transfer of the Rights to third parties, directly or indirectly, including transfers free of charge, exchanges and contributions. Any attempted sale, assignment, creation of encumbrances or transfer carried out in violation of the preceding paragraph, including the performance of hedging transactions on the Rights by the Beneficiaries before the award of the Shares, will be null and void and, in any case, will have no effects against the Company and will automatically result in the loss of the Rights.

In case of death of the Beneficiary, the provisions set for the termination of the Relationship as employer will apply as well.

#### Lock-up undertakings on the Shares

All Beneficiaries shall hold continuously, until the end of the second calendar year following the end of the Performance Period, a number of Shares equal to at least 50% of the Shares awarded to them and corresponding to the Initial Rights accrued (net of the shares that can be transferred/that are transferred to cover the charges borne by the Company as withholding agent and those awarded as Additional Rights). The Board of Directors will be entitled to resolve that for certain Beneficiaries these undertakings will apply only to a lower number of Shares, by notifying these Beneficiaries of this change within the award date. In any case, the above resolution shall not be taken with regard to the Company's directors or top management, if the Board of Directors identifies these subjects as the Beneficiaries of the Plan for each Cycle.

These Shares will be subject to sale restrictions - and therefore shall not be sold, contributed, exchanged, transferred under a repurchase agreement ("*riporto*"), or be subject to any other act of disposal between living persons - until the expiry of the above terms.

The mentioned restrictions will remain valid in the event of termination of the Relationship, for whatever reasons, with the only exception of death or total and permanent invalidity which entails the termination of the Relationship.

In the event of launch of a takeover bid (including by means of exchange offer) over the Shares or delisting of the Shares, the Board of Directors will be entitled to (i) grant the Beneficiaries the right to convert all or part of the Rights into Shares, as adjusted (if necessary), for each Plan Cycle, in portion to the Performance Period that will have already lapsed and/or to the extent to which the Performance Indicators will have been met, respectively, at the launch date of the takeover bid or at the time of the delisting, also in advance of the scheduled terms and even if certain conditions provided for by the Plan will have not been met, as the case may be, in order to keep the interests of the Beneficiaries aligned with the interests of the shareholders and to create sustainable value, taking into account also the interests of the other stakeholders; and (ii) resolve not to enforce or to cancel the above lock-up undertakings, even if only for those Beneficiaries which will notify their irrevocable will to adhere to the takeover bid. The relative Shares will be awarded to the Beneficiaries in sufficient time so to allow them, respectively, to adhere to the takeover bid or sell the Shares on the market.

For further information on the restrictions on the availability of Shares pursuant to the Plan, please refer to the information contained in the Information Document.

#### **5. Additional information**

The Plan does not receive any support from the special Fund for encouraging worker participation in companies, referred to in article 4, paragraph 112, of Law of 24 December 2003, no. 350.

The assignment of the Rights and the award of the Shares to the Beneficiaries will be free of charge.

## 6. Proposed resolution

In light of the above, we propose that the following resolution be adopted:

*“The Ordinary Shareholders’ Meeting of Atlantia S.p.A.,*

- having acknowledged the Information Document prepared by the Board of Directors pursuant to article 84-bis and Scheme no. 7 of Annex 3A to the Issuers’ Regulation;*
- having acknowledged the Explanatory Report prepared by the Board of Directors pursuant to articles 114-bis and 125-ter of TUF;*
- having acknowledged the proposal presented by the Board of Directors in the mentioned Explanatory Report; and*
- having acknowledged the proposal presented by the Nomination, Remuneration and Human Capital Committee and the favourable opinion of the Board of Statutory Auditors also pursuant to article 2389 of the Civil Code,*

### **RESOLVES**

- 1. to approve, pursuant article 114-bis of the Legislative Decree of 24 February 1998, no. 58, the adoption of the stock grant incentive plan named “Stock Grant Plan 2021-2023” (the “Plan”) having the characteristics (including conditions and prerequisites for implementation) indicated in the Explanatory Report of the Board of Directors and in the related information document, using the treasury shares owned by the Company at the date in which the shares are awarded under the Plan; and*
- 2. to grant to the Board of Directors, with the express power of sub-delegation to each of its members, any necessary powers, having heard the Nomination, Remuneration and Human Capital Committee and the opinion of the Board of Statutory Auditors as far as they are concerned, to implement this resolution, including, by way of example and not limited to, the powers to (i) identify the beneficiaries of the Plan and determine the number of rights to be assigned to each of them; (ii) proceed with the assignment of rights and the award of shares to the beneficiaries; (iii) prepare and approve the relative regulation for the implementation of the Plan; (iv) perform any activities, formalities or communications that are necessary or appropriate for the administration and/or implementation of the Plan, in compliance with the terms and conditions described in the relative regulation and according to the terms and conditions set out in the information document; and (v) make any changes or additions to the Plan regulation and to the terms and conditions set out in the information document that may be necessary in the event of a change in the applicable rules and regulations or extraordinary events likely to affect the Plan itself”.*

Rome, 11 March 2021

**Atlantia S.p.A.**

For the Board of Directors

The Chairman

Mr. Fabio Cerchiai