

**EXPLANATORY REPORT OF THE BOARD OF DIRECTORS OF ATLANTIA SPA ON THE PROPOSAL IN AGENDA ITEM 1) FOR THE ORDINARY SESSION OF THE EXTRAORDINARY AND ORDINARY GENERAL MEETING OF SHAREHOLDERS TO BE HELD IN SINGLE CALL ON 2 AUGUST 2017.**

*Dear Shareholders,*

This report is issued in accordance with article 114-*bis* of Legislative Decree 58 of 24 February 1998, as amended (the "**CFA**") and article 84-*ter* of CONSOB Resolution 11971 of 14 May 1999, as amended (the "**Regulations for Issuers**" or "**RI**") to describe the rationale for the proposed adoption of a new phantom stock option plan called the "*Supplementary Incentive Plan 2017 - Phantom Stock Options*" (the "**Supplementary Phantom SOP-2017**"). The plan is reserved for employees and/or executive directors within Atlantia SpA (the "**Company**") and its subsidiaries pursuant to article 2359 of the Italian Civil Code (the "**Subsidiaries**" and, together with the Company, the "**Group**"), including a limited number of core people involved in the integration and value creation process at the new Group that will be formed following settlement of the voluntary public tender offer, in cash and shares, for the entire issued capital of Abertis Infraestructuras SA launched by Atlantia. The Company's Board of Directors has voted to submit the above plan for approval by a general meeting of Atlantia's shareholders, called by public notice on 3 July 2017, to be held at the registered office at Via Antonio Nibby 20, Rome, in single call at 11.00am on 2 August 2017, to discuss and deliberate on, among other things, the following agenda item for the ordinary session:

**"APPROVAL OF A SUPPLEMENTARY LONG-TERM, SHARE-BASED INCENTIVE PLAN FOR EXECUTIVE DIRECTORS AND EMPLOYEES OF THE COMPANY AND ITS DIRECT AND INDIRECT SUBSIDIARIES. RELATED AND RESULTING RESOLUTIONS"**.

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The information required by existing legislation regarding the Supplementary Phantom SOP-2017 is provided below and will be detailed in the information memorandum to be made available for inspection, together with this report, for the intents and purposes of Article 84-*bis* of the RI.

**1. Rationale for adoption of the Supplementary Phantom SOP-2017**

The aim of the Supplementary Phantom SOP-2017 is to facilitate the integration and value creation process at the new Group that will be formed following settlement of 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 (the “**Transaction**”), incentivising the managers involved in the process to add value for the Company, and to operate effectively throughout strategic and operational decision-making processes.

**2. Beneficiaries of the Supplementary Phantom SOP-2017**

The Company’s Chairman and its Chief Executive Officer are Beneficiaries of the Plan. The Chief Executive Officer will also propose and the Board of Directors will approve other employees of the Company and its Subsidiaries and/or executive directors within Subsidiaries to participate in the Supplementary Phantom SOP-2017 (the “**Beneficiaries**”), from among a limited number of core people involved in the integration and value creation process.

**3. Implementing terms and provisions of the Supplementary Phantom SOP-2017, specifying whether or not its implementation is subject to certain conditions and, in particular, to the achievement of specific results**

The terms and conditions of the Supplementary Phantom SOP-2017 approved by the Board of Directors on 3 July 2017, with the consent of the Board of Statutory Auditors pursuant to art. 2389 of the Italian Civil Code, are summarised below. They implement the general principles approved on 12-14 May 2017 and will be further detailed in the terms and conditions for the Supplementary Phantom SOP-2017 (the “**Terms and Conditions**”), if the General Meeting of shareholders approves

adoption of the Supplementary Phantom SOP-2017.

The Supplementary Phantom SOP-2017 will be subject to a “**Vesting Period**” of 3 years from the date of *settlement* of the Transaction and an exercise period (*i.e.* the working days from the first day immediately following the end of the Vesting Period, except, in any event, for days falling within the 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) (the “**Exercise Period**”) of 3 years from the end of the Vesting Period, subject to the investment and minimum holding obligations set out in the Terms and Conditions and described in more detail below. These obligations will remain in effect until expiration of the terms therein.

The Supplementary Phantom SOP-2017 involves a maximum number of 7,500,000 phantom stock options granted at no cost and that are non-transferable *inter vivos* (the “**Options**”), each of which – under the Plan Terms and Conditions – will grant Beneficiaries the right to receive a gross amount in cash (the “**Bonus**”) to be calculated, if positive, according to the following formula:

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

where:

- the “**Exercise Price**” is the share price of the capital increase of the Company to service the Transaction which will be determined by the extraordinary General Meeting (EUR 23,67), adjusted by the amount of dividends, in the event of distribution before the date of settlement of the Transaction (the “**Transaction date**”).
- the “**Current Value**” is the arithmetic mean of the official price of the Company’s ordinary shares (the “**Shares**”) on each trading day in the screen-based market organised and managed by Borsa Italiana SpA in the month preceding the month in which the Beneficiary exercises the Options in accordance with the Terms and Conditions, increased by the amount of Dividends Distributed (as defined in the Terms and Conditions) (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).

Award of the Options to Beneficiaries will take place following the Transaction Date, only if the Transaction will be settled (the Grant Condition). In the event of failure to meet the Grant Condition, no Beneficiary will be selected and no Options will be awarded, not even to the Chairman and Chief Executive Officer. Beneficiaries may be selected on different dates, provided that this occurs within 3 months of the Transaction Date.

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 maximum number of Options granted and the related Exercise Price.

Beneficiaries may participate in the Supplementary Phantom SOP-2017 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.

The Options granted will vest – thus becoming Vested Options (the “**Vested Options**”) – at the end of the Vesting Period.

As explained in detail in the Terms and Conditions, Vested Options may be exercised at the end of the Vesting Period, thus becoming exercisable options (the “**Exercisable Options**”), under the terms and to the extent indicated below:

- (i) 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 and the maximum amounts of the Bonuses provided for in the Terms and Conditions;
- (ii) from the second year of the Exercise Period, Beneficiaries may exercise all of the Exercisable Options, subject to the minimum quantities and the maximum amounts of the Bonuses provided for in the Terms and Conditions.

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 the lesser of: (i) 20% of the Vested Options, or (ii) all

remaining Exercisable Options.

In the event of termination of employment, where the date of (i) receipt by the manager or director of notification of termination of their employment as a manager and/or director (in the event of a unilateral decision and independently of the actual date on which employment is effectively terminated, as indicated therein), or of (ii) termination of employment as a manager and/or director (the “**Termination Date**”) is prior to the end of the Vesting Period, following dismissal, removal or non-reappointment by the Company, in any case for just cause, or voluntary resignation with no consent settlement the Options granted to the Beneficiary will be deemed to have lapsed.

In the event of termination of employment accepted by the company through a consent settlement, 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 accordance with the Terms and Conditions, 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 by the Company for dismissal or non-renewal of a directorship, except for just cause, where the Termination Date is prior to the end of the Vesting Period, the Beneficiary will retain their right to exercise the Options Granted in accordance with the Terms and Conditions.

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.

Following the exercise of Options granted, Beneficiaries will be entitled to receive payment of the Bonus, under the Terms and Conditions.

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 determined on the basis of the Terms and Conditions.

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 – until expiry of the obligation, as provided for in the Terms and Conditions, unless so authorised in writing by the Board of Directors.

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 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 Supplementary Phantom SOP-2017), 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 Supplementary Phantom SOP-2017 remain unchanged.

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 type of 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.

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For the reasons explained above, the Board of Directors proposes the following resolutions for your approval:

*“The Ordinary General Meeting of Atlantia SpA's shareholders, based on the Board of Directors' Report and the relevant annexes (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,*

#### **RESOLVES**

- 1. to approve, for the intents and purposes of art. 114-bis of the CFA, adoption of a supplementary incentive plan based on phantom stock options (the “**Supplementary Phantom SOP-2017**”) reserved for the Company's 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 and approved by the Board of Directors from a limited number of core people involved in the integration and value creation process following the Transaction, in compliance with the guidelines set out 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 guidelines;*
- 2. to grant the Board of Directors and, on its behalf, the Chairman and the Chief Executive Officer, with express authority to sub-delegate, the broadest powers necessary or appropriate to proceed with full implementation of the Supplementary Phantom SOP-2017 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”.*

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Rome, 3 July 2017

**Atlantia SpA**  
for the Board of Directors  
The Chairman  
*Fabio Cerchiai*