

# 06. Corporate Governance

6.1	Principles and values	84
6.2	Model and procedures	86
6.3	Compliance and Internal Control System	92
6.4	Remuneration policies	96
6.5	Ethics Policy for employees	99
6.6	Shareholder resolutions during the year	100

## 6.1 Principles and values

Atlantia has adopted a traditional Management and Control System, based on rules aligned with the guidelines set by regulatory bodies and the highest standards recommended by the market. This system of rules is periodically updated to be always consistent and aligned both with developments in the business and, above all, with the guidance provided by the principles and criteria outlined in the Corporate Governance Code drawn up by the Corporate Governance Committee for listed companies.

The Group has a Corporate Governance system that is the essential tool to ensure effective and efficient management and reliable control over the activities carried out within the Company, with the aim of creating value for shareholders and other stakeholders.

The transformation process that the Group undertook during the year also led to a realignment of the founding principles and values of corporate governance with the changed context and with the new challenges that the Group intends to address. To that end, the values around which to structure Corporate Governance and, more generally, the Group's activities have been redefined, focusing on the principles of transparency, integrity, engagement, diversity, renewal and innovation.

The governance principles adopted and redefined by Atlantia comply with the laws and regulations in force in Italy, with international best practices and the recommendations of the Corporate Governance Code for Listed Companies drawn up by the Corporate Governance Committee.

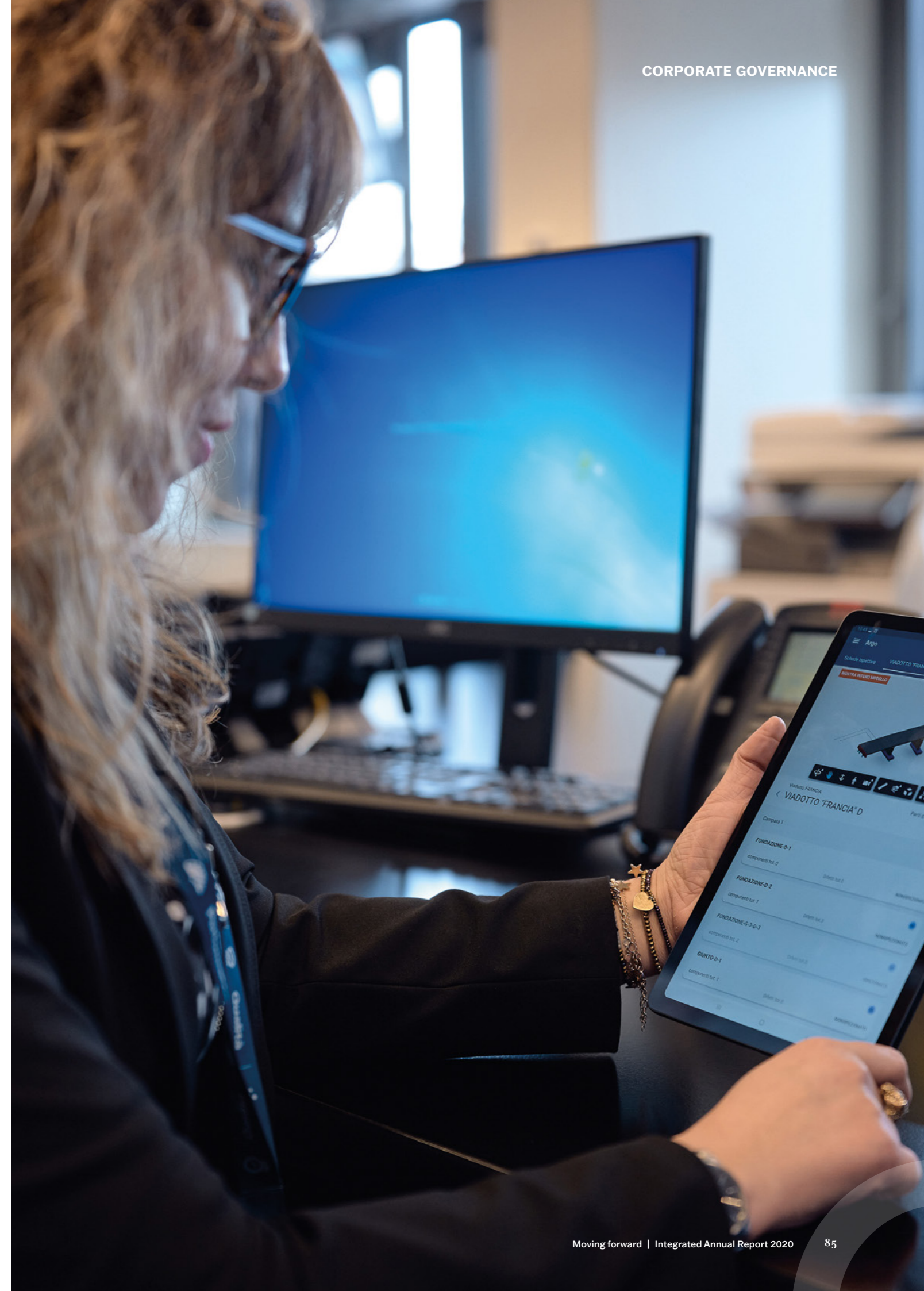
In December 2020, the Board of Directors resolved, with the consent of the Company's Audit, Risk and Corporate Governance Committee, to adhere to the New Corporate Governance Code (the "New Code"), in line with the practice followed by listed issuers included in the FTSE MIB index, thus abandoning the Company's own Corporate Governance Code (the "Atlantia Code") adopted for the first time in 2003.

The Company therefore applies the New Code as of 1 January 2021.

Also, as part of the evolutionary process embarked on, an action plan has been prepared to undertake all the adjustments and changes necessary to adapt the Company to the New Code. To that effect, the Company has for the first time adopted terms of reference for the Board of Directors (hereinafter the "Board Terms of Reference"), details of which are available on the Company's website in the governance/corporate bodies/Board of Directors section.

In adopting the Terms of Reference, the Company has also implemented the recommendations of the Corporate Governance Committee of December 2020, identifying: a) the upper limit on the total number of positions held by executive and non-executive directors, including also the role of statutory auditor; (b) the qualitative and quantitative criteria for defining independence requirements; c) the procedures and timing for the production of the documentation.

In connection with the preparation of Atlantia's strategic plan, two induction sessions and a strategic retreat were organised in January and February 2021, with the participation of the Company's entire Board of Directors and management. The guidelines in the new strategic plan were approved by the Board of Directors, together with the sustainability plan, on 18 February 2021.



## 6.2 Model and procedures

Under a traditional management and control system, the General Meeting of shareholders takes the most important decisions regarding the life of the Company, including the appointment of corporate bodies and approval of the financial statements.

The Company is managed by the Board of Directors, which carries out all the transactions necessary to pursue the corporate purpose. Four Board committees have been set up to advise and make recommendations to the Board of Directors.

Responsibility for controls is assigned to the Board of Statutory Auditors, which has the task of overseeing, among other things, compliance with the law, the memorandum of association and best practices, as well as the independent auditor to which the audit of the Company's accounts is entrusted.

The Board of Directors in office at 31 December 2020 was elected by the Annual General Meeting of 18 April 2019 for three financial years (i.e., until approval of the financial statements as at and for the year ended 31 December 2021) and consists of fifteen Directors. The infographics describe the main characteristics of the Board of Directors.



### Governance model <sup>8</sup>



<sup>8</sup> The Committees' functions as at 18 February 2021. The Board of Directors' meeting held on that date decided to modify the roles assigned to the various Committees and to establish a Sustainability Committee, as recommended by Borsa Italiana's new Corporate Governance Code.

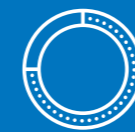
Board of Directors

NAME	AGE	IN OFFICE FROM	ATTENDANCE	ARCGC	NRHC	CIDRPT	SC
<b>Fabio Cerchiai</b> CHAIRMAN ●	76	18/04/2019	100%				
<b>Carlo Bertazzo*</b> CHIEF EXECUTIVE OFFICER ●	55	18/04/2019	100%				
<b>Sabrina Benetton</b> DIRECTOR ○	47	31/10/2019	100%				
<b>Andrea Boitani</b> DIRECTOR ○■	65	18/04/2019	94%	M	M		
<b>Riccardo Bruno</b> DIRECTOR ○■	61	18/04/2019	94%		P	M	
<b>Cristina De Benetti</b> DIRECTOR ○■	54	18/04/2019	97%	P			
<b>Dario Frigerio</b> DIRECTOR ○■	58	18/04/2019	100%	M		P	
<b>Gioia Ghezzi</b> DIRECTOR ○■	58	18/04/2019	79%				P
<b>Giuseppe Guizzi</b> DIRECTOR ○■	53	18/04/2019	97%		M		
<b>Anna Chiara Invernizzi</b> DIRECTOR ○■	51	18/04/2019	100%		M		
<b>Carlo Malacarne</b> DIRECTOR ○■	67	18/04/2019	100%		M	M	
<b>Valentina Martinelli</b> DIRECTOR ○	44	06/03/2020	100%				
<b>Lucia Morselli</b> DIRECTOR ○■	64	24/09/2020	89%	M			
<b>Ferdinando Nelli Feroci</b> DIRECTOR ○■	74	18/04/2019	94%				M
<b>Licia Soncini</b> DIRECTOR ○■	59	18/04/2019	100%				M

● Executive ○ Non-executive ■ Independent (CFA) P Chair M Member

\* Carlo Bertazzo was appointed Atlantia's Chief Executive Officer by the Board of Directors on 13 January 2020, following the resignation of Giovanni Castellucci on 17 September 2019.

Mr Bertazzo was a member of the Nominations Committee until 26 May 2020 and a member of the Human Resources and Remuneration Committee until 13 January 2020.



59 anni  
average age



47%  
of Directors are women



73%  
are independent



2  
executive Directors



96%  
attendance at meetings



34  
meetings in 2020



16 meetings  
of the Audit, Risk and  
Corporate Governance  
Committee



15 meetings  
of the Human Resources  
and Remuneration  
Committee



7 meetings  
of the Committee of  
Independent Directors with  
responsibility for Related  
Party Transactions



7 meetings  
meetings of the  
Nominations Committee

To enable Directors to carry out their role in an informed manner, a series of initiatives have been undertaken, to increase their knowledge of the Company and its dynamics, as well as to provide an update on developments in the legislative and regulatory framework, which in 2020 led to the organisation of 3 induction sessions concerning:

- the **Abertis Group**, with the participation of the CEO of Abertis Infraestructuras;
- the **“Positioning and Communication Strategy 2020-2022”** with the participation of the Company’s Head of External Relations;
- **“Airports: and in-depth analysis of the current state and future prospects”**. The CEO of Aeroporti di Roma S.p.A. was invited to attend the meeting.

In 2021, the induction process continued and concerned the Group’s “Sustainability Plan”.

## Committees

The Board of Directors has established the following Committees in accordance with the Atlantia Code, which adopted the recommendations in the Corporate Governance Code for listed Companies:

- Nominations Committee;
- Human Resources and Remuneration Committee;
- Audit, Risk and Corporate Governance Committee;
- Committee of Independent Directors with responsibility for Related Party Transactions.

**In performing their activities on behalf of the Board of Directors, the Committees may use external consultants, in accordance with the terms set by the Board of Directors.**

At its meeting of 18 February 2021, the Board of Directors resolved to set up the Sustainability Committee and to assign the functions previously carried out by the Nominations Committee to the Human Resources and Remuneration Committee, which then took on the name of “Nominations, Remuneration and Human Capital Committee”. Later, on 26 February 2021, the Board of Directors adopted terms of reference for all the Committees.

The Sustainability Committee consists of four independent directors and provides advice and makes recommendations to the Board on sustainability issues, to advance the progressive integration of environmental, social and governance factors into the Company’s activities, to create sustainable value for shareholders and other stakeholders over the medium to long term.

Consideration of priority issues relating to environmental, social and governance matters and, in particular, climate change has been added to the agenda of the Board of Directors and the priorities of senior management, with the aforementioned induction sessions.

For further information, reference should be made to the full text of the “Annual Report on corporate governance and ownership structures”, prepared taking into account the guidelines issued by Borsa Italiana for the corporate governance reports, available in the “Corporate Governance” section of the website at [www.atlantia.com](http://www.atlantia.com).

## 6.3 Compliance and Internal Control System

Atlantia's Internal Control and Risk Management System (ICRMS) is the set of tools, rules, procedures and organisational structures defined to ensure an effective identification, measurement, management and monitoring of the main risks for a sound and correct management of the Company, in keeping with objectives set by the Board of Directors.

The guidelines are defined and approved by Atlantia's Board of Directors, in line with the Company's strategies and with the corporate governance requirements set out for listed companies.

### Legislative Decree 231/2001

The Organisation, Management and Control Model under Legislative Decree 231/01 (the 'Model') was updated during 2020 to incorporate regulatory changes within the General Part, and in particular:

- to introduce certain elements provided for by Law 179/2017 for the rules on whistleblowing in the private sector;
- to update the list of predicate 231 offences through the inclusion of the latest offences introduced into law.

Moreover, a change was made in the General Part, with the indication of the adoption, in 2017, of the Group Anti-Corruption Policy as an integral part of the Model and of the appointment of the Group Anti-Corruption Manager.

With regard to the Special Parts, the revision covered both (i) regulatory changes (ii) and modifications related to the integration and update of procedures and/or control processes.

The Supervisory Board forwarded the proposed changes to the Audit, Risk and Corporate Governance Committee for subsequent approval by the Board of Directors, which occurred on 23 March 2020.

It is noted that in November 2020 a project was started, with the collaboration of a consulting firm, to support Atlantia's Human Capital & Organization department, the Office of the General Counsel and the Anti-Corruption Manager in planning initiatives in the Organisational, Compliance and Internal Control field. In particular, the project concerns:

- the review of the process flowchart;
- the definition of the System of Powers (internal powers and powers of attorney);
- re-definition of the documentary hierarchy;
- the review of the 231 Risk Assessment;
- start of the process of adaptation and certification with respect to the ISO 37001:2016 standard, through the ISO Risk Assessment (anti-corruption);
- the consequent review of procedures;

- execution of the Privacy and Data Protection Assessment and related gap analysis;
- the update of the Processing Register;
- definition of the adaptation plan and design of the Privacy Management Model.

At the end of the project, the 231 Model will be revised, a process that will be completed in 2021.

### Supervisory Board

Atlantia's current Supervisory Board was nominated by the Board of Directors on 8 June 2018, for the period 1 July 2018 – 30 June 2021, and is made up of two external members, one of whom acts as coordinator, and the Head of the Internal Audit department.

The Supervisory Board met on ten occasions in 2020 to deal with the issues related to revision of the Model, and carried out the Action Plan designed to monitor and evaluate its adequacy and effective implementation.

Moreover, Atlantia's Supervisory Board reported from time to time to the Company's Board of Directors and Board of Statutory Auditors on the Model's revision and monitoring activities.

### Internal Audit activities

The year just ended was marked by a change and evolution to the Group's internal audit activities. In particular, the Group undertook the decentralisation of internal audit activities through a redefinition of the responsibilities and scope of activities of the Parent Company's Internal Audit department and the progressive set-up of specific departments at the main subsidiaries in Italy and abroad. In particular, in 2020, the Internal Audit departments of the main subsidiaries based in Italy (Autostrade per l'Italia S.p.A., Aeroporti di Roma S.p.A. and Telepass S.p.A.) were established and equipped with appropriate resources, in terms of number and expertise, to operate effectively in support of the management and oversight bodies of the respective companies. The main subsidiaries based abroad, with the exception of Abertis, which already had its own Internal Audit department, are completing the establishment of their departments and the organisation of the related activities in line with the decentralised model. Specifically, Internal Audit departments have been planned for Grupo Costanera, AB Concessões, Los Lagos, Aéroports de la Côte d'Azur and Stalexport Autostrady.

Within the Group, the Internal Audit department of Atlantia carries out support activities in order to allow the adoption of processes, methodologies and tools that are both consistent and in line with the "International Professional Practices Framework (IPPF)", though still in keeping with the principles of independence and autonomy of action and judgment of the individual departments.

In 2020, an External Quality Review was carried out which helped to identify areas for improvement that resulted in the adoption and update of the policies and rules on Internal Audit.

## Whistleblowing – Management of disclosures

In line with changes in the Group's organisational and governance structure, during 2020 the update of the Whistleblowing Policy (the Disclosure Management Procedure) was approved. The procedure is applicable to Atlantia and has also been adopted by subsidiaries, each of which has appointed its own whistleblowing committee.

In 2020, the Group received 58 disclosures, of which 32 were pertinent and 26 were not (relating to complaints, deficiencies, etc.). Of the 32 pertinent, an investigation was undertaken in 27 cases, as the relevant disclosures were deemed to be sufficiently detailed (containing evidence sufficient to prompt further scrutiny). These refer mostly to issues of relations with suppliers and HR management. Of the 27 initiated, in 11 cases the investigations closed without confirming what had been reported, with the exception of one case relating to insults traded between employees, while in 16 cases the investigations are ongoing.

All non-pertinent disclosures have been passed on to the departments responsible for handling them. Finally, no cases of discrimination have been reported.

Foreign subsidiaries informed the Whistleblowing Committee that during 2020 they did not receive any disclosures.

## Anti-Corruption policy

The Group is committed to preventing and combating the occurrence of wrongdoing in the performance of its activities. As a concrete demonstration of its commitment in this field, the Atlantia Group has adopted the Code of Ethics, which is closely integrated with the organisation, management and control models provided for by Legislative Decree 231/01 and with compliance programmes (implemented by foreign subsidiaries).

Atlantia has adopted a specific Anti-Corruption Policy as testament to its commitment to preventing and combating wrongdoing.

In view of the overall changes in the Group's organisational structures and the most recent legislative developments, 2020 saw work begin on a review of compliance procedures, including the 231 organisational model and the Anti-Corruption Policy.

## Protection of human rights and code of conduct

The Atlantia Group operates on the belief that respect for and protection of human rights are inalienable principles for every area of activity.

Atlantia has signed up to the 10 principles of the Global Compact on human rights, working conditions, the environment and the fight against corruption. Atlantia, as provided for in the Group Code of Ethics, intends to maintain the best conditions of well-being at work, ensuring a working environment inspired by the principles of equality and protection of the freedom, dignity and inviolability of the person.

The Group - as a member of the Global Compact and recalling the constitutionally sanctioned principles of gender equality, EU legislation on the protection of the dignity of women and men in the workplace and national legislation on the matter - adopted its own Code of Conduct in 2018, with the aim of preventing discrimination and protecting the dignity of the Group's women and men.



## 6.4 Remuneration policies

The exceptional nature of 2020, with its significant impact on the mobility sector, and the uncertainty related to developments in the relationship between the grantor and the operator in connection with the Italian motorway business, created the conditions for a substantial discontinuity with the past in the Company's approach to remuneration.

Atlantia's remuneration policy for 2020 has been structured, in contrast to the past and with broad support from shareholders with over 90% of votes in favour, without any variable remuneration. Variable remuneration, a tool that the Company considers to be a key element in correctly aligning the interests of management, shareholders and other stakeholders, has been suspended in response to the extraordinarily unstable and unpredictable operating environment seen in 2020. In this context, the Chairman and the CEO also decided to cut their fixed compensation for the year by 25%, starting from May 2020.

For 2021, Atlantia will submit a renewed remuneration policy to the Annual General Meeting, scheduled for 29 April, with the aim of supporting delivery of the business strategy and in pursuit of the following goals:

- **Transparency** - Providing a clear and transparent understanding of remuneration systems

Atlantia fosters dialogue with stakeholders, regularly monitors voting outcomes at shareholder meetings, proxy advisors' recommendations and market best practices, in order to constantly improve its Remuneration Policy and ensure a high level of transparency towards the market with regard to the remuneration systems adopted.

- **Sustainable value** - Creating value in the long term

The variable remuneration plans are linked to short- and medium-term metrics that underpin sustainable and long-lasting value growth. The long-term component of variable remuneration plans has a greater weight than the short-term component, is equity-based, and requires that 50% of the shares deriving from incentive plans be held for a period of two years after they vest. Atlantia promotes the sharing of the results achieved with management and, more generally, with its employees favouring a long-term perspective. In this sense, the Company encourages employees to hold its shares.

- **ESG** - Promoting a sustainable development model for shareholders and other stakeholders

Our vision of creating economic and social value for communities and territories takes shape in the Remuneration Policy through the anchoring of incentive plans to objectives consistent with our guidelines for the sustainable development of the business, with particular reference to the fight against climate change, the circular economy, relationships with territories, communities and stakeholders; the centrality of people, and ethical and transparent management.

### Key changes with respect to the previous year

1	Reassessment of the purposes of the Company's remuneration policy
2	Revised framework for the annual incentive scheme ("MBO Plan"), based on targets relating to the creation of value for shareholders, strategic objectives and sustainability goals (ESG).
3	Definition of a long-term incentive scheme ("Stock Grant Plan 2021-2023"), based on the free award of shares in return for the achievement of value creation and sustainability targets over the three-year period. The Plan also envisages a 2-year lock-up period for 50% of the vested shares.
4	A stronger link between incentives and sustainability performance. A significant portion of management's annual variable remuneration (20 out of 100 points) and long-term variable remuneration (30 out of 100 points) is linked to the achievement of sustainability goals relating to ESG factors.

Moreover, in light of Atlantia's intent to strengthen its role as a strategic investment holding company, and the ensuing reassessment of its relationships with subsidiaries, the Company's Board of Directors has adopted a diversified approach to the holding company's remuneration policy and those of its subsidiaries.

Atlantia promotes remuneration principles inspired by international best practices also for subsidiaries, translating them into guidelines whose adoption is recommended to the management bodies of subsidiaries in a manner consistent with the market scenarios, strategic priorities and risk profiles specific to each business. These guidelines address key issues of remuneration governance through the work of dedicated Board Committees, the definition of pay levels in line with the relevant markets, the structuring of incentive schemes with regard to the type of objectives to which they are linked, limits on the maximum incentives payable, the overall weight of the variable component in the remuneration package and clawback provisions.

In addition, short- and long-term management incentive schemes will gradually incorporate, from 2021, objectives and metrics of a non-financial nature, in particular related to social and environmental performance.

For more information: [www.atlantia.it/en/corporate-governance/remuneration](http://www.atlantia.it/en/corporate-governance/remuneration)

## 6.5 Ethics Policy for employees

In accordance with its Code of Ethics, Atlantia requires that all activities carried out within the Group meet certain standards relating to ethical and professional integrity and fair conduct and are in full compliance with the related laws and regulations in all the countries in which the Group operates, as well as respecting the principles of honesty, reliability, impartiality, loyalty, transparency, fairness and good faith.

The Code of Ethics is an integral part of the employment relationship and compliance with it is an essential part of the obligations of the Group's staff. Violating one of the provisions of the Code of Ethics may result, for employees and managers, in the consistent, impartial and uniform application of a disciplinary sanction proportionate to the seriousness of the violation, in keeping with current legislation on the subject.

Against this backdrop, in 2020, the Board of Directors approved a specific policy (called "Ethical rules of conduct and Policy on Disciplinary Actions, Suspension and Termination of Employment") relating to employees involved in criminal proceedings.

For more information: [www.atlantia.it/en/corporate-governance/remuneration](http://www.atlantia.it/en/corporate-governance/remuneration)

## 6.6 Shareholder resolutions during the year

**The functioning of General Meetings of shareholders, the related powers, the rights of those entitled to vote and the manner in which such rights are exercised are governed by the laws and regulations in force and there are no special quorums for meetings or voting sessions, multiple voting shares or enhanced voting rights.**

Moreover, the Company has adopted General Meeting Regulations, shown at the end of the Articles of Association, which provide for orderly and functional proceedings at General Meetings.

The full text of the Articles of Association and the General Meeting Regulations is available at the following link: <https://www.atlantia.it/en/corporate-governance/articles-codes-procedures>.

During 2020, two General Meetings were held on 29 May 2020 and 30 October 2020. The Annual General Meeting held on 29 May 2020:

- approved the financial statements as at and for the year ended 31 December 2019, appropriating profit for the year, amounting to €426,613,505, to “Retained earnings”;
- approved the Board of Statutory Auditors’ proposal to appoint KPMG S.p.A. as the independent auditor for the financial years 2021-2029;
- confirmed the appointment of Ms Sabrina Benetton and Ms Valentina Martinelli as Directors of the Company, co-opted pursuant to art. 2386 of the Italian Civil Code at the Board meetings held on 31 October 2019 and 6 March 2020, respectively, until the term of office of the current Board expires;
- revoked the unimplemented portion of the previous resolution of 18 April 2019, insofar as it regards the authority to purchase treasury shares, without affecting the authority, pursuant to and for the purposes of art. 2357-ter of the Italian Code, to sell or otherwise assign and/or use, on one or more occasions and at any time, without any time limits, all or a part of the treasury shares held, in accordance with the terms, conditions and procedures set out in the AGM resolution authorising the use of treasury shares, dated 18 April 2019;
- approved, pursuant to and for the effects of art. 114-bis of Legislative Decree 58/1998, the Plan concerning the free share scheme allocating Atlantia’s ordinary shares to employees of the Company and/or its Italian subsidiaries using in this regard the treasury shares already available to the Company;
- approved the first section of Atlantia S.p.A.’s “Report on remuneration policy for 2020 and on remuneration paid in 2019” and expressed a favourable opinion in relation to the second section of Atlantia S.p.A.’s “Report on the remuneration policy for 2020 and remuneration paid in 2019”.

The General Meeting held in ordinary and extraordinary session on 30 October 2020:

- confirmed the appointment of Ms Lucia Morselli, co-opted pursuant to art. 2386 of the Italian Civil Code at the meeting of the Board of Directors of 24 September 2020, as a Director of the Company until the term of office of the current Board of Directors expires;
- revoked the resolution by which the Extraordinary General Meeting of 8 August 2013 approved the capital increase to service the contingent value rights. The resulting release in full of the statutory reserve named the “Non-distributable reserve for contingent value rights”, established under the same shareholder resolution in order to cover payment for the shares to be issued to service the contingent value rights. Amendments to article 6 of the Articles of Association;
- approved proposed amendments to the following Articles of Association: (i) 6 to eliminate the reference to the par value of the shares; (ii) 20 and 32 to comply with the legislation on gender quotas; and (ii) 23 to amend the procedure for calling Board of Directors’ meetings.

The results of the votes cast on the topics on the agenda of the two General Meetings, as well as all the documentation relating to them, is available on the Company’s website on the pages dedicated to the two events.

### Partial, proportional demerger of Atlantia

The Extraordinary General Meeting of 15 January 2021 approved the plan for the partial, proportional demerger of Atlantia S.p.A. in favour of Autostrade Concessioni e Costruzioni S.p.A. (the “Beneficiary”), a wholly-owned subsidiary.

The Beneficiary will receive assets consisting of a 33.06% interest in Autostrade per l’Italia S.p.A. (“ASPI”), with the allocation to Atlantia’s shareholders of the full amount of the Beneficiary’s capital increase servicing the demerger.

The transaction also involves Atlantia’s transfer in kind to the Beneficiary of the remaining 55% interest in ASPI and the listing of the Beneficiary’s shares on Borsa Italia’s MTA market. The equity interest received by Atlantia in the Beneficiary as a result of the demerger will be sold to third parties on the basis of the terms and conditions outlined in the demerger plan.

The demerger and the overall transaction of which it is part is subject to the conditions precedent laid down in article 7 of the demerger plan<sup>9</sup>.

<sup>9</sup> For further information on the demerger, reference should be made to the documentation made available to the public on the Company’s website <https://www.atlantia.it/en/investors/general-meetings> and the press releases issued by the Company.